



# SHIPPING PRACTICE

WITH A CONSIDERATION OF THE LAW  
RELATING THERETO

BY

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WITH A FOREWORD BY THE LATE  
LORD ESSENDON

EIGHTH EDITION<sup>24</sup>



LONDON  
SIR ISAAC PITMAN & SONS, LTD.

*First edition 1932*  
*Second edition 1936*  
*Third edition 1939*  
*Fourth edition 1945*  
*Fifth edition 1946*

*Sixth edition 1947*  
*Seventh edition 1952*  
*Reprinted 1953*  
*Eighth edition 1957*  
*Reprinted 1960*

*Revised and reprinted 1962*

SIR ISAAC PITMAN & SONS, Ltd.

PITMAN HOUSE, PARKER STREET, KINGSWAY, LONDON, W.C.2

THE PITMAN PRESS, BATH

PITMAN HOUSE, BOLVERIE STREET, CARLTON, MELBOURNE

22-25 BECKETT'S BUILDINGS, PRESIDENT STREET, JOHANNESBURG

ASSOCIATED COMPANIES

PITMAN MEDICAL PUBLISHING COMPANY LTD

45 CHARLOTTE STREET, LONDON, W.1

PITMAN PUBLISHING CORPORATION

2 WEST 45TH STREET, NEW YORK

SIR ISAAC PITMAN & SONS (CANADA), Ltd.

(INCORPORATING THE COMMERCIAL TEXT BOOK COMPANY)

PITMAN HOUSE, 381-383 CHURCH STREET, TORONTO

## FOREWORD

By THE LATE LORD ESSENDON

THE business of shipowning is one of the most complex of all the industrial occupations. It has romance to recommend it, and it is never-ending in the presentation of problems which are not merely new in themselves but also have a great variety of different angles. It is therefore most important that the student of shipowning should secure a firm grasp of the fundamentals, and SHIPPING PRACTICE is a valuable addition to the Student's Library.

No textbook of reasonable dimensions could possibly cover the ground completely, and no textbook could take the place of practical experience, but SHIPPING PRACTICE will give the student a very fair idea and knowledge of the wide range of subjects which are involved in the running of ships under modern conditions.

ESSENDON





## PREFACE

It is an essential duty of the individual today to be conversant with the business in which he is occupied.

This book is written to guide the student through the various and extensive subjects connected with Shipping, without a deep treatment of the law, and the compilation has been arranged in a progressive order of study, and, as far as is possible within the scope of the volume, covers the necessary subjects for the Institute of Chartered Shipbrokers, Institute of Transport, Institute of Export, London Chamber of Commerce, and Royal Society of Arts Examinations. It is pleasing to note that since its original edition this volume has been approved by many Institutes and Organizations as a recommended book for study.

Whilst primarily its object is that of a textbook for the student, it is hoped that it will prove of benefit and contain interesting details and information for others engaged in this profession, perhaps leading many to make a more extensive study of "Shipping." The subjects covered in the first seven chapters of the present book are dealt with in greater detail in the author's "Ocean Carriage."

Acknowledgments and sincere thanks are due to the following bodies who have kindly permitted various documents to be reproduced—Houlder Brothers & Co., Ltd., Lloyd's Register of Shipping, The Chamber of Shipping of the United Kingdom, and Corporation of Lloyd's.

E. F. S.



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## FORMS AND DOCUMENTS

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## CHAPTER I

### THE SHIPPING COMPANY

SHIPPING companies are organized for the purpose of running direct lines and regular services between certain ports, or for the purpose of owning vessels which may be chartered as and when business is offered. Reference to chartering is made in a special chapter, and here it is necessary to consider only the work and organization of a liner company.

The term *liner* does not necessarily include only a large vessel of the *Queen Mary* type, but includes any vessel which regularly runs on a service between certain ports. A *tramp* steamer is one which sails here and there, picking up business on its course; many so-called tramp steamers are better equipped and in better condition than some "liners."

The shipping company, having ascertained where they intend to develop a service, arrange for a number of vessels to serve the selected route, making weekly or fortnightly calls according to the cargo which may be offered.

It is the duty of the company in their own interest to provide speedy and safe vessels, keeping them fit for a continuous service. As a matter of interest, it may be observed that many companies purchase new vessels from time to time and place them on the service together with their older vessels; but it is not practical to run the new vessels at a greater speed than the old, otherwise the regularity of the service would become disorganized.

Having in mind the necessity for replacements in order to retain trade in competitive markets, the shipping company should provide for depreciation in order that their vessels may continuously be brought up to date and modernized. Striking examples have been seen where companies have retained old boats and never made replacements until eventually their business has completely dwindled away and their ships have become valueless. Strict rules cannot

be laid down in this connection, however. After the war losses, shipowners found it necessary to purchase "Utility" ships as a means of maintaining their services. Owing to almost prohibitive costs of new tonnage few shipowners can visualize for many years to come a fully balanced fleet of modern up-to-date vessels.

When the shipping company have decided to commence a service, advertisements of sailings are regularly made, sailing cards sent to merchants and agents, and canvassers appointed to secure the necessary business. This notification to shippers is not the *offer* of the contract of affreightment as mentioned in the chapter on "Bills of Lading." The shipper on sending his goods down to the vessel makes his offer, which is accepted by the shipowner when the goods are shipped. Thus the shutting out of cargo by a ship is no breach of contract.

Where "registration schemes" still survive, the registration by the shipper must be deemed his offer of cargo, and the drawing off by the shipowner as the acceptance of the contract.

The date when a steamer ceases to load cargo is shown on the sailing card, and known as the *closing date*. Up to such time the ship will receive and load cargo.

The goods are received by the ship in two ways, either *alongside* or into a *shed*. When goods are received into shed a *dock receipt* or wharfinger's receipt is given for such goods, and the goods are retained in the shed until required for loading. When goods are received alongside, a *mate's receipt* for water-borne cargo is given.

When mate's receipts are issued the shipping company will not issue bills of lading until such time as the mate's receipt is given in exchange. The reason for this is that the mate's receipt is signed by the chief officer of the ship, consequently the bill of lading which is also a receipt for goods should not be issued until this temporary receipt (mate's receipt) is returned.

The question of the liability of the company for issuing bills of lading without requiring the mate's receipt to be

given up is in an unsatisfactory state. In the case of *Schuster v. M'Kellar* (1857), 26 L.J.Q.B. 281, Lord Campbell left the question to the jury whether under the peculiar circumstances of that case the master was justified "in obtaining and putting the signature to the bill of lading . . . without the production of the mate's receipt." The jury held that he was not. On the other hand it has been held that the master of a vessel may sign bills of lading in favour of the shipper of goods without production of the mate's receipt, if he is satisfied otherwise that the goods are on board, and if he has no notice that anyone but the shipper claims any interest in them (*Hathesing v. Laing* (1873), L.R. 17 Eq. 92). In the same case the court expressed the opinion that the mate's receipt was assignable, only, as in the case of any other chose in action, notice of the assignment was necessary to bind the shipowner.

When a shipper has a large quantity of cargo which he is desirous of sending by a special vessel, he will approach the company to book space. Also when such cargo as he is sending is of a dangerous or inflammable nature or requiring special care he will obtain a stowage order for these goods.

Goods are tallied into the vessel by tally clerks, whose duty is to keep a check and list of all cargo stowed in the vessel.

Tallying is done by recording in books, on cards, or on sheets, the mark, port, numbers, and number of packages, with any remarks regarding condition.

The process of tallying is essentially one with which great care should be taken. Many cases arise where owing to a wrong tally, bills of lading are issued for goods which have never been shipped. When bills of lading are issued in this manner, the consignee on failing to receive his cargo at port of delivery holds a document of title and has every right to claim the full value of his cargo although same was never shipped. The carrier must, in order to secure freedom from liability, prove that the goods were never on board, which may entail great inconvenience and also be very difficult.



Against the particulars of the packages on the tally cards, are the measurements and weight by which freight is charged. Any disputed weights may be checked at port of delivery, and if found to be incorrect, checking charges are for account of carrier. If, however, the original weight or measurement is found to be correct the charge for this checking is for account of the person requiring the check.

As goods are tallied into the ship, so the tally cards are sent to the office. These are divided into ports, each port being controlled by a port clerk, whose duty is to check the particulars on the bill of lading with those on the tally card. When the shipment shown on a bill of lading is received on board, the bill of lading is signed and the particulars are placed on the ship's manifest. This manifest must contain full particulars of marks, numbers, quantity, contents, shipper, and consignee, with particulars required by the Consular authorities of the country to which the goods are being forwarded.

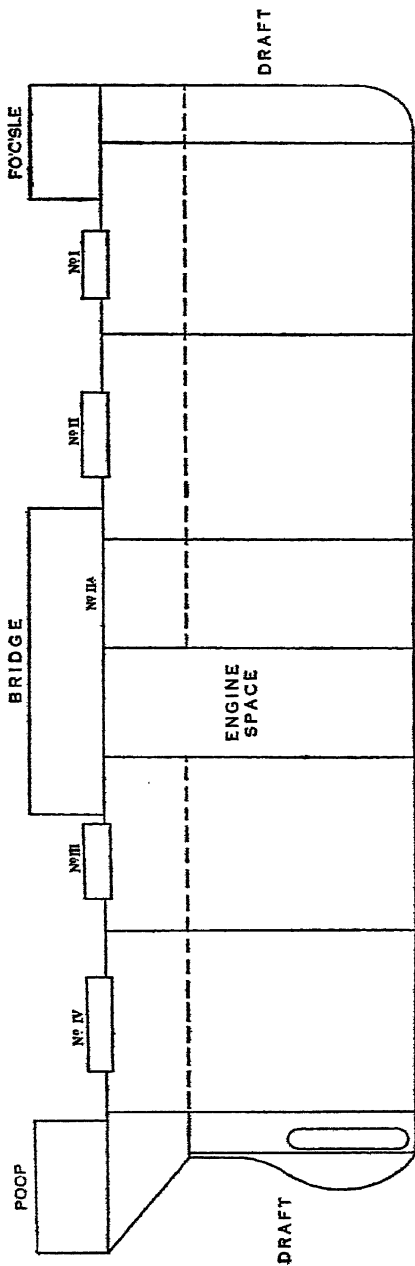
The freight account is made out and freight is chargeable according to weight or measurement, or *ad valorem* value, whichever may be the most remunerative to the carrier. In addition to freight there may be charges for forwarding, clearance, and sometimes a charge for primage.

Conferences of the different trades are organized whereby all shipping companies trading in certain areas meet and discuss matters of general interest, compile tariffs of rates for specific goods, and generally control and protect the interest of all members. In order to ensure that the shippers by conference lines maintain their support in return for the regular services provided, a primage charge of varying amounts up to 10 per cent is charged on the total freight. This is retained by the shipping company for a period of three or six months, and is then returnable as rebate to the shipper, provided that during that period he has not forwarded goods to the same area by any vessel other than a conference boat. Or, the Contract system is used, whereby primage is dropped and the regular shipper gets a "contract rate" which is lower than the rate charged to a shipper

*Cargo Plan of S. S.*

Called from .....

*Bound Mr...*



who does not sign a contract to ship only by conference vessels.

One copy of the manifest and a plain copy of each bill of lading, known as the captain's copy, is forwarded to the port of delivery. Other copies of manifests and bills of lading are handed to customs and consular authorities as required.

On arrival of the steamer at port of destination, the consignee presents his bill of lading to the shipping company, or their overseas representatives, who issue a delivery order in exchange, which the consignee hands to the officer in charge of the ship and obtains his cargo.

In order to avoid delay in sorting cargo on arrival, stowage plans are made out by the loading staff which show the position of the goods. In this manner, and by this guide, each receiver of cargo is advised where his cargo is, when it will be delivered, and consequently delay and time lost awaiting cargo is diminished.

An example of a stowage plan is shown on page 5; the position of cargo as loaded has to be inserted thereon.

In stowing cargoes the stevedores see that all light cargoes are stowed over heavy cargoes, and that protection is made, by way of dunnage mats, separating the cargo.

Much space is lost in stowing packages of irregular shape such as barrels, drums, awkward shaped cases, etc., and this space is termed broken stowage. It must not be confused with the term *breaking bulk*, which is the expression used for opening a hatch at port of delivery and removing cargo.

Shipments under charter-parties are very similar. The carrier provides the steamer according to the charter-party terms, and the charterer supplies the cargo to the ship as fast as she can load. This cargo is tallied into the ship, or when the shipment is a bulk cargo the amount supplied is said to be so many tons upon which freight is charged. The method of tallying and preparation of ship's papers is identical, although in charter-party shipments usually one or only a few bills of lading are issued compared with perhaps 200 to 400 bills under a berth contract.

## CHAPTER II

### THE SHIPOWNER AND MERCHANT

A MERCHANT, manufacturer, or agent seeking business overseas must use the sea as a means of transport.

His business development depends upon the cheapness of the cost of transportation, coupled with a reliable and regular service. A comparison of railway rates and coastal transport rates shows a big difference in cost in dealing with home trade.

When by the addition of a few shillings on the total cost of transportation a market is lost it is the duty of the shipper to secure the cheapest method of transportation. Sea carrying is in many trades divided into two sections, viz. mail steamers, and slow steamers, and a small increase in rate is sometimes made for carriage of goods by the faster vessel. For a steady supply to markets the merchant may take advantage of the smaller cost, or when necessity demands the speedy arrival of the goods at their destination, then he may resort to the faster vessels at a small additional charge.

Merchants who deal in small shipments avail themselves of the regular advertised lines which receive cargo on the berth and maintain weekly or fortnightly services. If, however, the merchant is a dealer in large quantity shipments then he has the option of chartering a vessel for his own use. Here the comparison between tariff rates and chartered rates shows that the chartered vessel is the cheapest means of transport for bulk cargoes. The shipowner is assured of his earnings, has less trouble in the management of the business, but meets with strict opposition from all other chartering brokers and owners. Consequently chartered rates are competitive and fluctuate from high rates when tonnage is scarce to low rates when tonnage is idle.

Transportation by air has in recent years increased

rapidly, but shipping companies will not feel competition from this quarter for some time. Not only are rates high, but the carrying capacity of aircraft is low. Consideration of the point of how many air liners would be required to transport a cargo of, say, 5,000 tons give ample proof of this. However, the fact must not be lost sight of that for fast transport of small and important cargoes aircraft carriage has a definite place.

The shipowner as a public carrier obtains his living from the business secured by the merchants in foreign markets, and he is the first to suffer in times of depression due to diminution of trade. Whilst he runs his service firstly for his own benefit and profit, much of his time is spent in seeking ways of improvement for the benefit of his shippers.

The carrier or shipowner realizes that co-ordination with the merchant is essential, not only for his own business but for that of the merchant, and we find the owners of the individual trades co-operating with one another to secure the satisfaction of all their clients.

The shipping conferences of the different trades are an illustration of this co-operative movement. The River Plate, South African, and Australian conferences, to mention a few, are committees of representatives of all owners interested in these particular areas. They meet to consider their joint interests, establish freight rates, and deal in all matters of importance.

Whilst they run regular services of benefit to merchants, they in return expect the merchant to co-operate with them to make possible and ensure these steady sailings, and they accordingly demand a guarantee from all shippers of their continued support. As already stated in the previous chapter, primage is charged by many conferences, which is a deposit returnable after a stated period provided that during such time the carrier has not shipped by lines other than conference lines, any failure to give continued support rendering the shipper liable to lose his rebate at the end of that period. Or the contract system may be used.

In support of this pressure, which may at first sight appear arbitrary, it may be stated that since the shipowner operates a service of good vessels with regularity irrespective of good or bad trade, if a vessel of an opposition owner is placed in competition at a lower rate of freight to secure occasional business, he should not suffer by this casual opposition in order that the shipper may sometimes be a few shillings better off.

Whilst the shipping conferences set rates and compile tariffs for the trades in which they deal, they are always willing to consider the case when a rate may appear to be strangling the endeavours of a merchant in securing business in a foreign market. If for example a merchant finds that, with the cost of his article plus the freight charged, he is, for a few pence per article unable to compete with foreign merchants, then, by application to the conference of that particular trade, he may, on proving that by a reduction of freight rates he can be assured of obtaining a ready sale, secure a suitable reduction in rate, provided he can assure the conference of his ability to ship an assured quantity.

In addition to the foregoing, where a line is being run under conference agreement, the shipper is able to quote rates for forward shipments, knowing the cost of transportation, and has no fear that he will suffer loss in this connection.

The shipping companies also provide co-ordination with the shippers by the provision of additional departments for the purpose of forwarding and insurance, thus not only supplementing their own profit by increased business, but also giving to the shipper the advantage that if he so desires he may carry out the whole of his forwarding business through one organization. The shipper knows that here is a qualified and well organized staff ready at his bidding to arrange the shipment of his goods, see to the whole of the forwarding, insure the goods under the best cover at the most reasonable rate, and carry out any other duties he may desire.

The section of transit that the shipowner is concerned with is the portion from the time of loading on board his vessel to the time of discharge, but here again he will arrange for transshipment at either end of the voyage in question under what are known as "through bills of lading."

## CHAPTER III

### THE MERCHANT SHIPPER

THE business activities of the merchant shipper are nearly as multitudinous as those of the shipowner. He must have an intimate knowledge of the requirements of the markets of the world, and the realization of the right goods for particular areas.

He supplies his own branches abroad with manufactured stock or forwards goods according to the order he may receive from his clients. He may deal as buying agent for overseas clients, in which case he received either open or closed orders. The closed orders are orders for specific goods of a certain manufacture, in which case the merchant shipper arranges the purchase accordingly. If, however, he received an open order he makes inquiries in the corresponding markets and obtains suitable goods at the most reasonable prices.

Having obtained the goods he arranges for the packing to be done. This in itself is work for an expert. Much money can be saved by the manner in which goods are packed. The packer must have a knowledge of the rates of freight chargeable on goods, and must see that no high rated goods are packed with low rated goods. It is the custom and right of the shipping companies to charge freight at the highest rate on goods contained in a case. If, therefore, a packer packs a case of tin saucepans which may be rated 100s., and includes in the case a package of silk goods which are rated at say 200s., then irrespective of the fact that the saucepans take up 95 per cent of the space of the case the rate of freight chargeable would be 200s. This additional freight could easily place upon the cost of the saucepans sufficient extra cost to be the cause of a lost market. The packer, therefore, would be better advised to make one case of the saucepans, which would be chargeable at 100s., and another smaller package of the silk goods

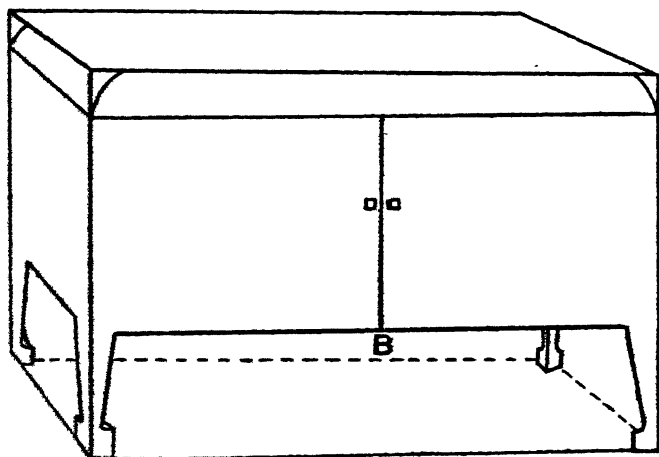


chargeable at 200s., and a saving in freight would then be made.

When the packer has sorted his goods for packing into their nearest selection for rating purposes, he packs the goods. Here again much money may be saved in the method of packing. A great amount of goods exported are now packed in tanks, which are stronger than cases, and which may at port of destination be sold for a few shillings thus regaining the cost of the packing.

If wooden cases are strengthened by battens, the case is measured from the edge of the battens, making a few more inches in size, and again producing an increase in freight charges. Here the advantage is to have the cases banded with iron, which, whilst being equally as strong as the wood battens, does not increase the cubic space occupied. With the considerable progress in development of carton packing, the shipowner will soon be compelled to recognize this as a standard form of packaging goods for export, without an "insufficiently packed" clause on his bills of lading.

Much space may be lost through irregular objects being packed. An example of this is shown in the following illustration—



The illustration shows a gramophone packed in a case. The case must be large enough to enclose the whole of the cabinet; it would be folly to attempt to pack the case in any other fashion. Therefore, the space marked "B" inside the case remains empty, and consequently the shipper has to pay freight on the empty space contained in the case. This adds to the cost of the shipping, and incidentally to the cost of the gramophone when offered for sale in the foreign market.

The packer, therefore, seeking to use this space in the best manner possible, would arrange with the supplier to approach the buyer to take with each cabinet gramophone, a few portables. This, if so agreed, provides the necessary cargo which may be stowed in the space "B," and consequently the portable gramophones are carried by the shipping company without increase of freight.

This is but one of the examples where wasted space may be used to the advantage of the shipper, at no additional cost to himself.

When goods are packed the cases must be marked clearly, showing the mark, number, and port of destination. Marks are used purely for identity purposes, but such marking must be made in a clear fashion and in such manner as to remain legible for the whole of the voyage in prospect. Reference to the Carriage of Goods by Sea Act, 1924, will show that it is the duty of the shipper clearly to mark his cases.

Having packed the case the merchant arranges the shipment of the goods, or employs a shipping agent for this purpose. Or again the forwarding department of the shipping company itself may be employed for this service. As all operate in a similar fashion we will assume the merchant arranges his own shipment.

He finds a suitable sailing which will fit his requirements and approaches the shipping company with the request for them to book space. If the case requires any special care in regard to stowage, a special stowage order will be issued. The company will agree to the carriage of the goods and

advise the merchant where to send the goods for shipment, giving dock, and time when the vessel is receiving cargo.

The documents are then prepared, and the bills of lading are made out by the merchant shipper. Reference to Chapter V will enumerate the particulars required. Each country differs in regard to information required in the bill of lading, and the number of bills of lading necessary for the *set*. In addition, certificates of origin are sometimes demanded by the consular authorities. This is a certificate stating the country of origin of the goods shipped, an example of which is given in the appendix.

Should the documents be made out by the shipping agent, or shipping company, the merchant supplies an invoice of the goods showing full particulars, from which information the bills of lading are compiled.

The bills of lading are then handed to the shipping company who retain them until such time as the goods have been *returned* from the docks. This *return* or tally is the notification from the loading staff to the office staff that the goods have been received on board, or received for shipment.

The merchant then keeps in constant touch with the shipping company, and when he ascertains that his bills of lading are awaiting collection, pays freight and takes delivery of his documents.

It is then the duty of the merchant to arrange that the bill of lading is forwarded to his consignee.

When the goods are being forwarded to a branch office the need for financial security is unnecessary, the merchant encloses a bill of lading, certificate of origin (where necessary) and invoice of goods giving details of costs, freight, insurances, packing, and other charges, in an envelope addressed to his consignee, and hands it to the shipping company for inclusion in the *steamer's bag*, or ship's mail.

Should the bill of lading be made out in the name of a specific consignee, it does not require to be endorsed, but when the bill is made out in the name of "order" it must be endorsed by the merchant before being sent forward.

The necessity of arranging for the bill of lading to be placed in the steamer's mail, is the security that the bill of lading shall be in the hands of the receiver when the goods arrive, thereby preventing delay. If it is possible to forward these documents by a mail steamer or airmail, which arrives earlier, giving additional time for clearance arrangements to be made, this has even greater advantages. Some foreign countries inflict fines if cargo arrives and no document has been received for its clearance.

In order to ensure the safe arrival of the document, another bill of lading may be forwarded by following mail, or by an alternative route, in case the first bill of lading should be mislaid and cause inconvenience. The legal position in relation to the issue of a first and second bill of lading is referred to under another chapter.

Where a merchant is forwarding goods to a receiver of whom he has little knowledge, or whose financial status is insufficient to give him the desired confidence, he may avail himself of the opportunity of placing the documents through a bank, thus ensuring himself of his charges, and avoiding any sense of insecurity.

The documents are handed to the bankers with bill of exchange, insurance policy, and a letter of hypothecation, in return for which the bank either meets the charges of the invoice, or credits the account of the merchant at a future date.

The letter of hypothecation is, briefly, a document which gives the holder the right, if the charges are not forthcoming or if a bill of exchange has been received and such a bill is dishonoured, to sell the goods on arrival and take the proceeds to recoup him for his advance.

By this method the merchant is assured of his money and has no fear of suffering a loss upon the shipment.

Another method of foreign trade finance is by way of consignment accounts when the merchant here does not sell the goods to the consignee. The consignee receives the goods and arranges for their disposal. Whilst he has them in his possession they still remain the property of the

merchant, the consignee acting only as the selling agent at port of destination.

As the goods are sold, entries of such transactions are made in a special account known as the "..... Consignment a/c," and from time to time the receiver forwards to the merchant an account of sales. He receives in return for his services in the disposal of the goods a commission by way of remuneration, the proceeds of the sale being forwarded to the merchant at agreed periods.

To comply with currency regulations and control, the method of shipping goods against bank credits has rapidly become established. The overseas customer issues his order for goods, and arranges a bank credit for payment in the seller's country. Credits are issued as unconfirmed or revocable, irrevocable, confirmed irrevocable, etc.

Shipment on the exact terms of the credit earns payment against documents. The foolish insistence on obscure descriptions and bankers' lack of knowledge of shipping often results in the bank credit system becoming cumbersome and the subject of hot dispute.

On receipt of the bill of lading at the port of destination the consignee, after endorsing the document, presents the bill at the shipping office and secures in return a delivery order, which is an authority to the master of the ship to make delivery of the goods in exchange for this order.

A merchant shipper who uses the chartered ship as his method of transport has considerably less work to do; he has merely to supply the goods in bulk to the steamer, receive payment for the goods, and forward the bill of lading to the consignee. The main difference here is that the consignee or receiver does not usually pay his freight until such a time as the goods are discharged. This, however, is dealt with fully in Chapters VII and VIII.

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## CHAPTER IV

### **LIMITATION OF SHIPOWNER'S LIABILITY**

IN order to lessen the liability of a shipowner for damages through loss or injury arising at sea, the legislature has imposed limitations upon the amount which may be recovered in certain actions against a shipowner. These limitations are contained in Sects. 502-509 of the Merchant Shipping Act, 1894, as amended by subsequent statutes, and the Merchant Shipping (Liability of Shipowners & Others) Act, 1958; the provisions of these sections are unaffected by the Carriage of Goods by Sea Act, 1924, which, to a certain extent, however, increases the liabilities of the shipowner by preventing him from contracting out of certain of his defined liabilities (see Chapter VI). It is the purpose of this chapter to summarize the provisions of the Merchant Shipping Acts relative to the limitation of the shipowner's liability.

The owner of a British sea-going ship, or any share therein, is not liable to make good to any extent whatever any loss or damage happening *without his actual fault or privity* in the following cases; namely—

(1) Where any goods, merchandise, or other things whatsoever taken in or put on board his ship are lost or damaged by reason of fire on board the ship; or

(2) Where any gold, silver, diamonds, watches, jewels, or precious stones taken in or put on board his ship, the true nature and value of which have not at the time of shipment been declared by the owner or shipper thereof to the owner or master of the ship in the bill of lading or otherwise in writing, are lost or damaged by reason of any robbery, embezzlement, making away with, or secreting thereof.

The owners of a British or foreign ship are not liable beyond certain specified amounts where all or any of the following occurrences take place without their actual fault or privity—

(1) Where any loss of life or personal injury is caused to any person being carried in the ship;

(2) Where any damage or loss is caused to any goods, merchandise, or other things whatsoever on board the ship;

(3) Where any loss of life or personal injury is caused to any person not carried in the ship through the act or omission of any person (whether on board the ship or not) in the navigation or management of the ship or in the loading, carriage or discharge of its cargo or in the embarkation, carriage or disembarkation of its passengers, or through any other act or omission of any person on board the ship;

(4) Where any loss or damage is caused to any property (other than any property mentioned in paragraph (2) above) or any rights are infringed through the act or omission of any person (whether on board the ship or not) in the navigation or management of the ship, or in the loading, carriage or discharge of its cargo or in the embarkation, carriage or disembarkation of its passengers, or through any other act or omission of any person on board the ship.

The specified amounts above referred to are as follows—

(1) In respect of loss of life or personal injury, either alone or together with loss of or damage to vessels, goods, merchandise, or other things, an aggregate amount not exceeding 3,100 gold francs (£73 8s. 10 $\frac{5}{12}$ d.) for each ton of their ship's tonnage; and

(2) In respect of loss of, or damage to, vessels, goods, merchandise, or other things, whether there be in addition loss of life or personal injury or not, an aggregate amount not exceeding 1,000 gold francs (£23 13s. 9 $\frac{7}{12}$ d.) for each ton of their ship's tonnage.

The tonnage of a steamship is her registered tonnage with the addition of engine room; and the tonnage of a sailing ship is her registered tonnage.

The owner of every sea-going ship or share therein is liable in respect of every such loss of life, personal injury, loss of or damage to vessels, goods, merchandise, or things arising on distinct occasions to the same extent as if no other loss, injury, or damage had arisen.

Where any liability is alleged to have been incurred by the owner of a British or foreign ship in respect of loss of life, personal injury, or loss of or damage to vessels or goods, and several claims are made or apprehended in respect of that liability, then the owner may apply to the High Court to determine the amount of the owner's liability and may distribute that amount rateably among the several claimants, and may stay any proceedings pending in any other court in relation to the same matter, and may proceed in such manner and subject to such regulations as to making persons interested parties to the proceedings, and as to the exclusion of any claimants who do not come in within a certain time, and as to requiring security from the owner, and as to payment of any costs as the court thinks just.

A shipowner may, of course, waive his rights under the statute by special contract.

It may be observed that the usual course when seeking limitation of liability is for the shipowner to pay the sum of 1,000 or 3,000 gold francs per ton, as the case may be, into Court, and to ask for a decree limiting his liability to that amount.

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## CHAPTER V

### BILLS OF LADING

THE document under which cargo is carried on board vessels is a bill of lading, and may be defined as a receipt for goods, signed by the master or other duly authorized person on behalf of the shipowner, and constitutes a document of title to the goods specified therein.

Whilst it is primarily a receipt, and not strictly speaking a contract of carriage, it is nevertheless good, and sometimes the only evidence of the terms and conditions of carriage.

There has been some divergence of opinion as to whether a bill of lading is in fact a receipt or a contract, but in the case of *Sewell v. Burdick* (1884), 10 App. Cas. 74, Lord Bramwell stated—

There is I think another inaccuracy in the statute (Bill of Lading Act, 1855) which is indeed universal. It speaks of the contract contained in the bill of lading. To my mind there is no contract in it. It is a receipt for goods stating the terms on which they are to be received and carried by the ship, and, therefore, excellent evidence of those terms, but it is not a contract. That has been made before the bill of lading has been given.

The words of his Lordship put the question in its proper perspective and eliminate all doubt.

The indispensable features of every contract are of course *offer* and *acceptance*. When a shipowner advertises his vessel for the carriage of cargo, and the shipper signifies his offer by requesting the owner to reserve space in the vessel, he thereby makes an offer. It is only when the shipowner has accepted the cargo on board that the contract of affreightment is concluded.

It would be as well to explain that if the contract of carriage consisted merely of an unqualified offer and acceptance—without any special terms and conditions of contract—the shipowner would constitute himself a “common carrier,” and would consequently render himself

liable for any damage the goods may sustain whilst in his custody, excepting only that attributable to—

Act of God;  
Queen's enemies;  
Inherent vice.

His liability would, however, be limited by the provisions of the Merchant Shipping Acts referred to in Chapter IV.

The shipowner is at liberty to restrict his liabilities, and this he seeks to do by concluding special contracts as evidenced by the terms, conditions and exceptions of the bills of lading. A glance at a modern general cargo bill of lading will convince one that the shipowner takes every precaution to minimize his liabilities by inserting protective clauses exempting himself from responsibility for a very exhaustive range of losses, including those arising from the negligence of his servants, etc. Bills of lading for goods shipped from the United Kingdom and Northern Ireland, however, are in this respect subject to the Carriage of Goods by Sea Act, 1924, which Act forms the subject of a separate chapter in this volume.

That Act establishes the responsibilities, liabilities, rights and immunities attaching to carriers under bills of lading, and in effect prescribes a standard form of bill of lading which has the force of law. It removes the difficulties and uncertainties which were associated with the plethora of protective clauses which shipowners were accustomed to insert in bills of lading and has bestowed a considerable advantage on the mercantile community, particularly banks and insurance companies, as, now that they know exactly the extent of the shipowners' liabilities, etc., they can make advances and adjust insurance premiums on cargo with greater facility. It is not necessary specifically to incorporate fully the terms and conditions of the Carriage of Goods by Sea Act, 1924, in bills of lading, but an express statement, to the effect that the rules of the Act shall be applied to the contract of affreightment, must be inserted.

It is the shipper's duty to supply the shipping company with the bills of lading. As soon as the shipper ascertains the number of packages he wishes to ship by the steamer, he completes the bills of lading and lodges these with the shipping company for their attention.

He may, however, request the carrying company to make out bills of lading for him, in which case he supplies an invoice and instructions, and the shipping company undertake this business. A small charge is made for the extra work entailed.

The bills of lading are made out in "sets," and any number may constitute the set according to the requirements of the particular trade. It is essential that at least one bill of lading be supplied, together with a copy bill of lading, known as the captain's copy, which is retained by the master for record purposes.

Whilst the bill of lading is the document proper, the copy is of no value, and as many copy bills of lading may be included in the set as are desired, either for the shipping company's purposes or for the shipper's own requirements.

The bills of lading, however, are of equal standing, and it is usual to find at the foot of the bill of lading the term—"In witness whereof the master or agent hath affirmed.....bills of lading all of this tenor and date, the one of which being accomplished the others stand void." The number of bills of lading which constitute the set are entered in the blank space.

The shipper usually affirms to three bills of lading, one for his own records, one for his consignee, and a second copy for the consignee sent usually by the following mail in case the first copy forwarded him is lost or delayed.

✓ The master of the ship is instructed to deliver the goods to the person who produces a bill of lading, and therefore it is in the interest of all shippers, where more than one bill of lading is issued, to see that the consignee is the person who receives it. The master, in the absence of knowing that the holder of the bill of lading has

no right to it, or in the absence of known fraud, has authority to deliver the goods. In the event of any goods being so delivered to another person who holds the document of title but is not authorized, the master is free from liability for wrongful delivery.

✓ There are two types of bill of lading at present in use: the first of which is the "received for shipment bill of lading"—in short, a "received bill of lading" which states that the goods have been received for shipment on board the steamship. Here there is no actual receipt for goods which have been shipped.

The second type is the shipped bill of lading. As will be seen in the Carriage of Goods by Sea Act, there is a stipulation that a shipper, if he so demands, shall have issued to him a shipped bill of lading when the cargo is loaded. This commences "Shipped on board the steamship....." and states definitely that the goods are actually on board. Bankers are reluctant to accept documents that do not clearly set out this important statement, and many demand the "shipped" bills of lading. Many shipping companies now only print the shipped bills of lading.

As there is no implied or express demand for a seaworthy ship (see Carriage of Goods by Sea Act, 1924), the term "shipped on board the good ship" is rarely seen, it being "shipped on board the vessel....."

✓ The next clause for consideration is that of "apparent good order and condition." The full opening phrase on a bill of lading is "Shipped (or received) in apparent good order and condition on board the steamship....." This phrase means that the outward condition of the goods on being received by the ship, is in good order; the shipowner in effect says: "I can only judge by exterior proof as to the soundness of the goods received, and apparently they are in good order." To earn his freight the carrier is only bound to carry the goods and deliver them in the same order in which he received them. If they were in apparent good order, on shipment, it is his duty to deliver them in like apparent good order and condition. ✓

Should the goods have any defects, then the carrier will classify the term "apparent good order" by including in the margin of the bill such terms as "old case," "stained case," "straw wrapped pieces only," or "unprotected." The addition of any similar qualifying clause makes the bill of lading "unclean," and, adversely, the expression "clean bill of lading" means any bill of lading which has the clause "apparent good order and condition" unqualified.

Shipping companies in their own interest insert these clauses when necessary as a safeguard against unwarranted claims.

There is a practice of issuing letters of indemnity against clean bills of lading, which is adopted by a number of companies. These letters of indemnity state that in consideration of being given a clean bill of lading the holder indemnifies the carrier against all risks and claims arising from the defect. This, although practised, is legally wrong, and the holder of a letter of indemnity in this case has no right other than that of good faith.

The master of the steamer having signed for so many cases in apparent good order and condition, when he knows they are not so by being given a letter of indemnity to that effect, issues a legal document in the form of the bill of lading with a misstatement of fact upon it, which is nothing less than a common fraud, and on these grounds numerous cases fail because the owners are unable to seek the assistance of the letter of indemnity. These letters of indemnity are stamped with a 6d. stamp, but it does not make them legal. A legal document is still legal although unstamped, but the stamping of a document does not necessarily make it legal.

The bill of lading is made out in the name of the shipper, or, if an agent, as "A.B. as agents," and consigned to the consignee or receiver. For many reasons some shippers are not anxious that the name of the consignee shall become known, and in this case the bill of lading is consigned to "order" or "shipper's order."

When goods are consigned to a named consignee, the shipper has no need to endorse the bill of lading before forwarding to his consignee, but when it is consigned to "order" he must endorse the bill over to the consignee to whom he wishes delivery made.

Other clauses appear in the body of the bill, but the clause paramount of the Carriage of Goods Act makes it unnecessary to deal with these here.

The bill is signed at the foot by, or for, the master. He, as the agent for the owners in the care of the steamer, and bailee for the cargo during the period of its shipment, is personally responsible for the goods whilst in his care. This matter is dealt with fully in Chapter XI.

If a bill of lading is signed for goods which are not actually on board, the liability of the master is increased, for it may happen that the bill is issued, and therefore the *prima facie* evidence is that the goods were actually shipped, and the carrier may have great difficulty in proving that this was not so. It is conclusive to a holder for value.

It is therefore the master's duty, or the duty of any one having authority to sign for the master, to see that the particulars in the bill of lading are accurate, before the bill is issued.

The date which appears at the foot of the bill should of course be the actual date of shipment, or receipt of the goods.

In the body of the bill the ports of shipment and delivery are mentioned, and the contract is therefore to carry the goods with all reasonable speed from the one place to the other. A clause is found in many bills allowing the carrier the privilege of deviating to other ports "in any order whatsoever, backwards or forwards in any directions." This clause is valueless as there is no permission at any time for the owner to leave his course. Where this route is an advertised one, and the shipper is aware that by custom of trade the vessel calls at intermediate ports, e.g. London—S. Africa, calling at Cape Town, Durban and Beira, he accepts this route, but does not give the carrier

permission to take his vessel to Liverpool after leaving London.

"Through" bills of lading are issued when a shipper wishes the carrying company to make arrangements for a complete journey, and these bills of lading in addition to the agreement to carry goods from port to port include a further journey (by sea or land) from the port of ship's destination to a distant place. In this case the carrier incorporates in the bill of lading a clause stating that the goods are to be "transhipped and forwarded to..... at ship's expense but at shipper's risk."

An additional charge is made for this extended journey, and the carrier bears all expenses of shipping and transshipping, but from the time the goods leave his care he repudiates all responsibility for their safe carriage. This extra journey is outside the contract of affreightment, and the terms and conditions of the bill of lading do not apply.

Since the repeal in 1949 of stamp duty on bills of lading, copy bills (i.e. bills other than the number of bills to the set) are stamped "Copy Bill of Lading—not negotiable" or similar wording. In some cases different coloured bills are used to distinguish copies from negotiable bills.

For bills of lading under charter-parties, the above conditions apply with a few exceptions, the most important of which is that the conditions of a bill of lading are always subservient to the charter-party clauses. When a charter-party is issued, this is a contract pure and simple, and the bill issued under such document is only a receipt with all terms as per CHARTER-PARTY. The effect of the Carriage of Goods by Sea Act in this connection is dealt with fully in the next chapter.

The Bill of Lading Act, 1855, is a small but valuable Act, and its provisions are briefly—

(a) It gives the consignee or endorsee to whom the property passes, all rights of suit as if the contract had been made with him originally.

(b) It preserves the right of stoppage *in transitu*, the

right to claim freight against the shipper, or any other liabilities of the consignee.

(c) It provides that the bill of lading in the hands of the consignee for valuable consideration is conclusive evidence of the shipment having been made, even though the goods were not shipped, unless the holder has been advised that the goods were never on board.

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## CHAPTER VI

### CARRIAGE OF GOODS BY SEA ACT, 1924

THIS Act, which introduced many changes in the laws of shipping, was the outcome of many conferences between shipowners and shippers.

It had been felt that for some years carriers, by the incorporation of so many clauses and exemptions, were obtaining an unfair advantage over shippers, who had little choice by lack of organized opposition than to accept the bill of lading adopted by the carrying company.

As a result of the discussions between all interested parties, including bankers and insurance officials, an International Conference was held in Brussels during the years 1922-23 for the purpose of establishing liabilities, responsibilities, rights and immunities of carriers under bill of lading shipments.

Legislative effect was given to the rules formulated at the Conference by the Carriage of Goods by Sea Act, 1924, so far as England is concerned, while many other countries have passed similar statutes. The American Carriage of Goods Act, passed during 1936, was the last of these statutes. In the American Act, however, application is made to goods to or from American ports.

The provisions of the Act are set out in the Appendix at the end of this volume, and here the various provisions are dealt with individually.

*Sect. 1.* States that the Act shall have effect in relation to carriage of goods by sea in ships carrying goods from any port in Great Britain or Northern Ireland to any other port whether in or outside Great Britain or Northern Ireland. This sets out the scope of the Act. In the case of transshipment at a foreign port of goods from Great Britain or Northern Ireland, the rules have no application unless the foreign vessel is also carrying goods from Great Britain or Northern Ireland.

*Sect. 2.* There shall be no undertaking by the carrier to supply a seaworthy ship. This may appear startling, as it was always a stipulation before the Act was brought into force that the carrier supplied a seaworthy ship, hence the expression "Good ship," which is no longer necessary in bills of lading. A study of Art. III, Para. 1, will show, however, that although the carrier's liability to provide a seaworthy ship no longer exists his responsibility is by no means decreased.

*Sect. 3.* This stipulates that every bill of lading or similar document of title issued in Great Britain or Northern Ireland shall contain an express statement that it is to have effect subject to the provisions of the rules applied by this Act. No penalty is provided for non-compliance with this rule, but the Court would read the required statement into the bill of lading in view of the fact that the direction is imperative.

*Sects. 4-5.* These are modifications which will be dealt with in the Articles to which they refer.

*Sect. 6. (1)* Allows a short title to be used and the Act may be cited as the Carriage of Goods by Sea Act, 1924.

*(2)* States that the Act shall not affect Sects. 446-450 and 502-503 of the Merchant Shipping Act, 1894.

Sects. 502 and 503 of the Merchant Shipping Act relate to limitations on the liability of shipowners, and are dealt with in Chapter IV; Sects. 446 to 450, concerning dangerous goods, are considered in Chapter XX at page 123.

#### SCHEDULE

*Article 1.* This contains definitions.

Para. (a). "Carrier" includes the owner or charterer who enters into a contract with the shipper.

Para. (b) states that the contract of carriage applies only to contracts of carriage covered by bills of lading or any similar documents of title in so far as it relates to the carriage of goods by sea, including any bill of lading or similar document of title issued under or pursuant to a charter-party from the moment at which such bill of lading

or similar document of title regulates the relations between carrier and a holder of same.

This paragraph (b) sets out that the shipowner or carrier is not liable for the care and custody of the goods prior to loading or after discharge, as will be seen in Article 2.

It will also be noted that this Act applies to "through bills of lading" only during the period of sea carriage, and not for any additional time before or afterwards.

Although the latter part of this paragraph may seem to imply that bills of lading under charter-parties are covered by the Act, and may appear contradictory to the latter part of Article 5, the explanation of Article 5 will make this point clear that under an ordinary charter-party contract the Carriage of Goods by Sea Act, 1924, does not apply.

Para. (c) defines "goods" omitting live animals and deck cargo. Live animals are always a matter for the carrier to make mutual agreement with the shipper, and as will be seen, few of the provisions of this Act would be applicable.

Cargo carried on deck is also by way of special agreement. When a carrier accepts cargo it is always understood that such cargo shall be carried under-deck, and if cargo is of the nature that it has to be shipped "on deck" then this again calls for special agreement and different terms of shipment. Deck cargo unless carried in accordance with custom of trade is always accepted "at shipper's risk."

Para. (d) classifies the term "ship" as any vessel used for the carriage of goods by sea. A M.S. Act definition of a ship is "any vessel other than one propelled by oars."

Para. (e) defines the period of carriage from the time when goods are loaded to the time when goods are discharged from the ship. This term "from the time when goods are loaded" may be taken to mean "up to loading," as Article 2 states the carrier shall be subject to the responsibilities and liabilities, and entitled to the rights and immunities of the Act in the loading, handling, stowage, carriage, custody, care and discharge of the goods. It will, therefore, be seen that if the carrier is responsible for the loading, handling, and stowage, these three operations come

before the time when goods *are loaded*, and it must be agreed that the carriage of goods covers all the operations set out in Article 2.

*Article 3.* This sets out the responsibilities and liabilities of the carrier—

Para. 1. Before, and at the beginning of each voyage, the carrier shall be bound to exercise his due diligence to (a) make his ship seaworthy, (b) properly man, equip, and supply the ship, and (c) ~~make~~ all holds refrigerated and cool chambers, and other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation.

Here are the conditions that have been imposed in place of the old provision of a seaworthy ship. They are more detailed and demand more care. The carrier himself must exercise due diligence and the failure to comply with this regulation lays upon him the onus of proving his due diligence, which is obviously great.

It will also be noticed that the manning and equipping of a ship are part of the conditions. No ship is ever seaworthy unless it is properly manned—with sufficient crew on board for its safe navigation and control, and also a ship without complete equipment is certainly lacking part of its essentials.

Sub-para. (c) is a reasonable condition also; it has always been understood—now compulsory by statute—that the holds must be in good condition for the reception of cargo. Giving an example of this, a vessel carrying bones, cargoes which are thankfully few, is not in a fit condition for the reception of other cargo until the holds have been completely scoured out. Greater detail on this point is needless.

Another example of an unseaworthy ship, which however is outside the scope of the Act, is a vessel carrying live stock with foot and mouth disease, not being considered seaworthy for the carriage of further live stock until such a time as the vessel has been completely fumigated and the scourge removed.

Para. 2 again recites under the heading of responsibilities, the duties mentioned in Article 2, viz. "The carrier

shall properly and carefully load, handle, stow, carry, keep, and care for, and discharge the goods.

Para. 3 states that the carrier after he has received the goods into his charge, shall on demand of the shipper issue a bill of lading stating leading marks, which must be legible until the end of the voyage, number of packages or pieces, or the quantity, and the apparent order and condition of the goods, providing that the carrier need not show any of the above particulars which he thinks inaccurate, or which he has been unable to check—hence the qualifying term “quality and contents unknown,” which is often found in the body of the bill.

Such a bill issued is *prima facie* evidence of the receipt of the goods by the carrier. (Para. 4.)

Para. 5 states that the shipper shall be deemed to have guaranteed these particulars, and he shall indemnify the carrier against any inaccuracies. By this, however, the carrier does not limit his responsibilities and liabilities to any person other than the shipper.

Section 5 of the Act, referred to at page 29, *ante*, modifies this paragraph, however, in those cases where the statement of the weight of a bulk cargo in a bill of lading is given by a third party other than the carrier or the shipper, such as a railway company or colliery company, provided that it is noted on the bill of lading as such, and the accuracy shall not be deemed to have been guaranteed by the shipper.

In paragraph 6 of Article 3, there is the provision that unless notice of loss or damage be given in writing to the carrier or his agent before or at the time of the removal of the goods, or if the loss be not apparent within three days, such removal shall be evidence (*prima facie*) that the carrier has delivered the goods in accordance with the bill of lading.

This is the first occasion on which any limit of time for a notice of claim has been mentioned. The application of this paragraph to transshipment, or through cargo, is rather indistinct, and whether the notice of claim is timed from final delivery or delivery from ship is a point for much discussion.

Such notice as mentioned need not be given when goods have been jointly surveyed at the time of delivery.

The carrier and ship, however, are discharged from all liability for loss or damage unless suit is brought within one year from date of delivery, or time when goods should have been delivered. This does not mean that the claim must be settled; so long as a claim has been made or action started within the year, settlement may be any time afterwards.

The term "suit" includes the matter of arbitration, which again must be commenced within the period stated.

When there has been any known loss both parties must give each other full facilities for inspection and tallying the goods. This latter provision may be compared with the "sue and labour" clause of marine insurance.

Para. 7 of Article 3 provides that after the goods are loaded the bill of lading, if the shipper demands, shall be a "shipped" bill of lading, provided any document of title previously taken up shall be surrendered.

From this section it will be seen that a shipped bill need only be given on demand, after goods have *been loaded*, whilst in para. 3 of Article 3, a bill of lading (other than a shipped bill of lading) must be given when the goods are in the carrier's charge, but not necessarily on board.

The latter part of this section states that the receipt previously taken up, with the addition of the steamer's name and date of shipment noted thereon, may constitute a shipped bill. This of course refers to the coastal trade where it is often customary to issue receipts in lieu of bills of lading.

In para. 8 of Article 3 there is the provision that any clause relieving the carrier from his responsibilities provided in the Act shall be null and void, thus excluding the possible addition of many clauses which would defeat the purpose of the Act.

A benefit of insurance is deemed a clause relieving the carrier from liability.

*Article 4.* Here are the rights and immunities of the carrier—

Para. 1. The carrier shall not be responsible for loss

arising from unseaworthiness unless caused by lack of due diligence or by the failure of the carrier to carry out the provisions of para. 1 of Article 3.

When such loss occurs the burden of proving exercise of due diligence is on the carrier or person claiming exemption under this paragraph. Prior to the passing of the Act, it was the reverse, when the onus of proof was on the person making the claim.

Para. 2 states that neither the carrier nor the ship shall be responsible for loss or damage from—

(a) ACT, NEGLIGENCE, DEFAULT, OF THE MASTER, MARINER, PILOT, OR SERVANTS OF THE CARRIER IN THE NAVIGATION OR MANAGEMENT OF THE SHIP.

This includes all causes not covered by Article 2 and Article 3, para. 1, and it should be remembered that the management of the ship includes shore staff as well as the personnel on board. A ship is often managed or mis-managed by those in charge on land.

(b) FIRE, UNLESS CAUSED BY THE PRIVITY OR FAULT OF THE CARRIER.

Fire is always an excepted peril of common and public carriers.

(c) PERILS, DANGERS, AND ACCIDENTS OF THE SEA OR OTHER NAVIGABLE WATERS.

This covers the extraordinary action of wind and waves, which cause damage to a ship. A ship, however, must be built to withstand the ordinary action of these elements, and it must be some happening out of the ordinary, and peculiar to the sea, to be included under this heading.

(d) ACT OF GOD.

Any action that may cause damage which could not have been prevented had any amount of care and human forethought been used beforehand; something beyond human control.

(e) ACT OF WAR.

Includes wars of all nations irrespective of the nationality of ship.

(f) ACT OF PUBLIC ENEMIES.

Any act of persons acting outside the law, such as pirates, etc.

(g) ACT OR RESTRAINT OF PRINCES, RULERS OR PEOPLE, OR SEIZURE UNDER LEGAL PROCESS.

Any act which is enforceable by persons acting under the law, e.g. royal proclamation, or government orders.

(h) QUARANTINE RESTRICTIONS.

Covering all restrictions made or imposed by a medical officer or medical authorities in connection with quarantine.

(i) ACT OR OMISSION OF THE SHIPPER OR OWNER OF GOODS OR HIS AGENT.

Carrier cannot be held liable for any act which may be caused by the neglect or omission of the shipper or owner of goods.

(j) STRIKES, LOCK-OUTS, OR RESTRAINT OF LABOUR FROM WHATSOEVER CAUSE WHETHER PARTIAL OR GENERAL.

A partial stoppage of labour in London would, however, give no excuse for protection under this clause for a ship loading at Glasgow, unless directly affected.

(k) RIOTS AND CIVIL COMMOTION.

(l) SAVING OR ATTEMPTING TO SAVE LIFE OR PROPERTY AT SEA.

See notes under para. 4 of this Article.

(m) WASTAGE OR LOSS FROM INHERENT DEFECT OR VICE OF THE GOODS.

Inherent vice may be described as the natural tendency of goods to waste or become damaged, a common form of which is black rot in apples, causing considerable loss to many cargoes of apples over which the carrier has no control.

(n) INSUFFICIENCY OF PACKING	} RESPONSIBILITIES OF
(o) INSUFFICIENCY OF MARKS	
THE SHIPPER.	

(p) LATENT DEFECTS NOT DISCOVERED BY DUE DILIGENCE.

A latent defect may be described as an interior weakness which is not discoverable by exterior examination, such as a water pipe, faulty in its manufacture, but not discernible by ordinary examination.

(q) ANY OTHER CAUSE ARISING WITHOUT THE ACTUAL FAULT OR PRIVITY OF A CARRIER OR HIS AGENT.



Here again the burden of proof is upon the person who claims exemption through this section.

Para. 3 stipulates that the shipper shall not be responsible for any loss sustained by the carrier arising from any cause without the act, fault or neglect of the shipper, his agents or servants.

Para. 4 deals with one of the most important points of shipping law, which is deviation. It states that "any deviation in saving or attempting to save life or property or any reasonable deviation shall not be deemed an infringement of the Rules, and the carrier shall not be liable for loss or damage resulting therefrom."

Deviation may be divided into three types, deviation, justifiable deviation, and reasonable deviation. The term deviation means any departure from the set course of the voyage, and from the moment a vessel leaves her course the carrier loses all rights to the exemptions and immunities expressed in his bill of lading. But deviation may be made justifiable in cases where it is in the interest of all the parties, such as putting into a port of refuge, or deviating to save life or property. It is curious to note that in this section the term *life or property* is stated. This is the first time that any permission to save property alone has been incorporated in statute law or allowed in shipping. An explanation of the word "reasonable," which is a word also found in this section, may be made by classing deviations of this type as deviations made in the interest of all parties concerned. Deviation in itself is something to be abhorred, for unless the master can secure a satisfactory decision, great loss and inconvenience may be caused to his owners. In extending the earlier remark, that from the time of deviation all exemptions and immunities are lost to the carrier, it is as well to point out that these are immediately lost, and they are not recoverable for the remainder of the trip, and the owner may suffer a loss perhaps two or three days after deviation occurred, and steamer returned to her original course. It is, therefore, not advisable to accept this clause upon its face value.

Para. 5 states that the carrier shall not be liable for any loss or damage exceeding £100 per package or unit, unless the nature and value have been declared by the shipper before shipment, and it has been inserted in the bill of lading.

Here is a definite limitation of liability, and the unit may be described in connection with bulk cargoes as any standard, e.g. ton, or quarter.

Any declaration of value on a bill of lading shall be *prima facie* evidence, but not binding or conclusive on the carrier. The carrier and shipper may however agree to another maximum amount provided it is not less than £100.

Neither shall the carrier be responsible for any loss or damage to goods where the nature or value has been wrongfully described.

Para. 6 refers to dangerous cargoes and states that when goods of an inflammable, explosive, or dangerous nature have been shipped without the knowledge of the master, they may be discharged or landed at any time or rendered innocuous, without compensation, and the shipper shall be liable for all damage or expenses arising out of such shipments. Also, when any such goods shipped with carrier's knowledge and consent become a danger to the ship they also may be treated in a similar manner without liability of the carrier, except to general average, if any. This freedom of action, without responsibility, is necessary for the master, and the decision to discard such cargo may be made in the interest of the ship, without the fear of heavy claims arising. This is one of the few occasions when the master is a free agent in respect of the treatment of the cargo.

*Article 5.* This article sets out the conditions of any surrender of rights and immunities, and increase of responsibilities and liabilities.

The carrier may surrender all or part of his rights and immunities or increase his liabilities, provided such surrender or increase is incorporated in the bill of lading. There is no permission, however, for his rights and immunities to be

increased and his liabilities to be surrendered. Clauses of this nature are prohibited by para. 8 of Article 3.

The provisions of these rules are not applicable to charter-parties, but if bills of lading are issued, in the case of a charter-party, they must comply with the terms of the rules.

This provision may appear rather confusing, but it only covers cases similar to a ship being chartered and then placed on the loading berth to receive cargo. Many cases of this nature are found when companies running regular lines, by the damage or loss of a ship, find they must charter a vessel to continue their service and then under the period of the charter-party run the vessel on their regular route. It will be seen that the charter-party between the owner and charterer is outside the scope of the Act, but the bill of lading contract between the charterer and his shippers comes under the regulations of the Act, by reason of the fact that the terms and conditions of the bill of lading govern the contract of affreightment.

Where, however, a bill of lading is issued under a charter party, and is subsequently negotiated to a third or fourth party, from the time of the negotiation, the Act applies to the bill of lading.

The final clause of Article 5 states that nothing in the rules shall prevent the insertion of any lawful provision regarding general average in the bills of lading.

*Article 6.* Notwithstanding the previous articles, carrier, master, or his agent, and a shipper may in respect of particular goods, be at liberty to enter into any agreement in any terms as to responsibilities and liabilities, and rights and immunities or obligations as to seaworthiness, provided it is not contrary to the public policy, and provided no bill of lading has been issued and the terms shall be embodied in a non-negotiable receipt, which shall be marked as such. Provided that this article shall not apply to ordinary commercial shipments, but only to other shipments when the character or condition of the property is such as reasonably to justify a special agreement.

The meaning of the term "particular goods" is still rather indefinite, but may be described as goods to which the application of the Act would be impossible. Section 4 of the Act states that Article 6, in relation to coastal vessels, shall have effect as though the article referred to any goods instead of particular goods, and as though the proviso to the second paragraph of this article were omitted.

In the coastal trade it is customary to issue receipts instead of bills of lading, and on these occasions such receipts shall be considered as bills of lading and under the regulations of this Act.

*Article 7.* There is nothing in the Act to prevent a carrier or a shipper from entering into any agreement as to responsibility or liability of the carrier for goods prior to the loading on or subsequent to the discharging from ship. From this it will be seen that when "through" bills of lading are issued, the Act has no application to sections of the carriage of goods outside the actual carriage by sea.

*Article 8.* States that the rights and obligations of the carrier under any statute for the time being relating to limitation of liability of owners shall not be affected. This refers to the shipowners' liability, which is dealt with in Chapter IV.

*Article 9.* The monetary units mentioned in these rules are to be taken as gold values; thus any difference of opinion in regard to this matter is excluded.

## CHAPTER VII

### CHARTERING AND CHARTER-PARTIES

A CHARTERING broker may be described as an intermediary between the shipowner and the merchant or the cargo owner. His knowledge must be extensive in order that he may cope with all requirements of his business; he must have a sound knowledge of shipping law, geography, port information, charges throughout the world, facilities at different places, distances between ports, and countless other matters.

He acts between a shipowner who has tonnage idle, and a cargo owner who has a cargo which he wishes to be transported. He engages space for cargo and arranges the whole of the business details between the principals, receiving for his services the commission agreed under such arrangement.

When he fixes a contract of this nature it is known as a charter-party, of which there are three classes: *voyage, time, and demise*. The charter-party is a contract of affreightment, and for voyage charters is an agreement for the carriage of goods from one specific port to another, the owner of the vessel receiving freight for the cargo carried. In the case of time and demise charters, both of these contain a contract whereby the vessel is actually hired for a specified period of time, during which period the charterer has the freedom, within the stipulations of the charter-party conditions, of using the vessel for what purposes he may wish. In a demise charter the ownership to all intents and purposes changes hands for the period of the contract. The payment in this case is for the hire of the vessel, and an agreed amount is paid per month or per day for the use of the vessel.

Whilst in the case of bill of lading or liner shipments standard rates are charged, usually as agreed by the Conference under which the vessel is operating, the rates for chartered ships fluctuate according to the state of the

market, it being the tendency for rates to be high during busy periods, when tonnage is scarce, and low in slack times when idle ships are plentiful.

The arrangement of a charter-party is known as "fixing" a charter, and when completed the vessel is termed "fixed." Brokers on the Baltic Exchange operate in a similar manner to those of the Stock Exchange.

Brokers are constantly in touch with the world's markets through the medium of the Baltic Exchange and can keep their principals—perhaps shipowners, perhaps merchants—advised of the daily trend of the markets and whether conditions tend towards rises or falls in rates, which fluctuations operate on the law of supply and demand as seen from the last paragraph.

Market Reports are given in various shipping papers and a broker or owner who wishes to know the approximate state of a market with which he is not conversant can get a helpful lead from the fixtures reported. For instance the following may be reported—

n.a. San Lorenzo s.s. *Baltic* 7500 10% picked U.K. 152/6  
Antwerp Rotterdam 2s. 6d. less option Bergen/Aarhus range 5s.  
one 7s. 6d. two 15/28 February.

The explanation of this is that—

The s.s. *Baltic* has been chartered from the River Plate to load a full cargo of grain 7,500 tons, 10 per cent more or less at owners' option. Vessel is to be loaded at a port or ports not above San Lorenzo and is to discharge at one or more of a range of named ports in the United Kingdom for which the owner will receive 152s. 6d. per ton. If charterers wish, they may order the steamer to Antwerp, in which case the rate will be 2s. 6d. less per ton, or to Rotterdam at 2s. 6d. less per ton. In the fixture cited, charterers have the further option of ordering the vessel to discharge at one or two ports between Bergen and Aarhus instead of U.K. or Continent and, if this option is exercised, the rate of freight which the owner will receive will be 157s. 6d. one port of discharge, 150s. two ports of discharge. Vessel must be ready to load between the 15th and 28th of February, both days inclusive.

A further fixture which may be reported is as follows—

Benisaf s.s. *Seafarer* 5/5200 Workington 10/25 December 49/9.

The broker seeing this will know that—

The *Seafarer* has been fixed to load a full cargo of iron ore from Benisaf for Workington at a rate of 49s. 9d. per ton. She must present herself at loading port between the 10th and the 25th December.

If, for example, an owner informs his broker that he has a ship expected ready at Benisaf on the 30th of December and asks what business can be obtained from Benisaf to a U.K. port, the broker will have a rough idea of the current rate ruling. He will certainly not let his owner fix his ship, for example, from Benisaf to Workington at 49s. when the last rate was 49s. 9d., unless, of course, the market has suddenly fallen away.

Before proceeding to describe the contents of a charter-party and the meaning of clauses, there are several types of "days" which are mentioned in chartering, and definitions of these are—

**LAY DAYS.** Days agreed for loading and discharge. They may be separated into days for loading and days for discharge, or if agreed a total taken for the two operations, when days are then known as reversible lay days. This is the time allowed under the charter-party, and a note of the agreed number of days will be shown in the charter-party.

**WEATHER WORKING DAYS.** Days for loading and discharge when the weather permits. Where weather working days are allowed, and work is commenced, time ceases to count if the work is held up owing to bad weather, or if weather makes the possibility of a start impracticable for the day. This applies only when work would otherwise be carried on.

**RUNNING DAYS.** Consecutive days, counting all days—Saturdays, Sundays, Bank Holidays, etc., the same.

**WORKING DAYS.** In England a day of eight hours constitutes a working day, therefore a 24 hour day would be considered as three working days (if work is continuous), but in foreign countries this would alter according to the number of hours which constitute a working day in such places.

Charter-parties are known under different titles, some serving the purpose of a particular trade. In many cases a short title or code name is allotted for quick and short references. Here are a few examples of well-known charter-parties—

## CHAMBER OF SHIPPING FORMS

COAL	Welsh Coal, 1896 . . . . .	No code name
	To Danube, Rosario, R. Parana, and Uruguay	
	East Coast Coal Charter-party, 1922 .	"MEDCON"
	East Coast (Humber, Berwick) to Danube and River Plate	
	Coasting Coal Charter-party, 1920 .	"COASTCON"
	Coasting Coal Charter-party, 1923 .	"COASTCON SAILER"
	Sailing vessels	
	East Coast, England, and Scotland -United Kingdom and the Continent	
	Coasting Coal Charter-party, 1913 .	"WELCON"✓
	<u>Bristol Channel-Elbe/Brest and the United Kingdom</u>	
	Coasting Charter-party, 1921, for Mersey District Ports . . . . .	"MERSEYCON"
	West Coast, England-United Kingdom and the Continent	
	Baltic and White Sea Conference Coal Charter, 1921 . . . . .	"BALTCON"
WOOD	To Baltic, Scandinavia, and White Sea	
	Baltic and White Sea Conference Polish Coal Charter, 1950 . . . . .	"POLCON"
		"NUBALTWOOD"
	Baltic Wood Charter, 1951 . . . . .	
	Scandinavia and Finland Trade	
	White Sea Wood Charter to the United Kingdom, 1899 . . . . .	"MERBLANC"
	White Sea Trade	
	Pitch Pine Charter, 1906 . . . . .	"PIXPINUS"
	Gulf of Mexico and Central America for United Kingdom, Continent, and Mediterranean	
	British North American (Atlantic) Wood Charter-party, 1914 . . . . .	"BENACON"
	Pitwood Charter (France to Bristol Channel Ports), 1924 . . . . .	"PITWOODCON"
	France to Bristol Channel	
	Baltic Pulp and Paper Charter. . . . .	"BALTPULP"
GRAIN	Finland/United Kingdom-Continent	
	River Plate Charter-party, 1914, Homewards . . . . .	"CENTROCON"✓
	River Plate and South America, Homewards	
	Australian Grain Charter, 1928 . . . . .	"AUSTRAL"
	Azoff Berth Contract, 1910 . . . . .	"AZCON"
	Danube Berth Contract, 1911 . . . . .	"DANCON"
	Sulina and Kustendje Berth Contract, 1911 . . . . .	"SULCON"
	Bulgarian Berth Contract, 1911 . . . . .	"BULCON"
	Black Sea Berth Contract, 1912 . . . . .	"RUSSCON"



CHAMBER OF SHIPPING FORMS (*contd.*)

STONE	Stone Charter-party, 1920	"PANSTONE"
FERTILIZERS	Fertilizer Charter-party, 1942	"FERTICON"
ORE	Mediterranean Ore Charter, 1921	"MEDITORE"
	Mediterranean Ore Charter, 1922	"NECORE"
CEMENT	Cement Charter-party, 1922	"CEMENCO"
	Cement Charter-party (Sailing Ship), 1923	"CEMENCOSAIL"
GENERAL	Baltic and White Sea Conference Uniform General Charter	"GENCON"
	For all types of Cargo with no particular trade	
	General Home Trade Charter, 1928	"BRITCONT"
TIME	Time Charter	"TRANSITIME"
	(For Time Charter fixtures)	
	Baltic International Maritime Conference Time Charter, 1939	"BALTIME"

Before fixing a charter-party the essential details that are required to be known are—

<i>The draught of a steamer</i>	Amount of water required to float a vessel. It must be remembered that to fix a steamer with a draught of 23 ft. for a port where the maximum draught is 21 ft. would be useless, and the vessel would be unable to enter the port.
<i>Size of holds</i>	In order to be sure of the space available for cargo.
<i>Particulars of derricks</i>	At dock or wharf. Useful in loading or discharging operations.
<i>Bunker capacity.</i>	
<i>Coal consumption.</i>	
<i>Rate of loading and discharge and approximate weight to measurement of cargo.</i>	
<i>Loading and discharging ports.</i>	
<i>Date of readiness.</i>	

The clauses necessary for every charter-party are named in the undermentioned list and followed by explanations.

## LIST OF CLAUSES

For all charter-parties the following clauses are essential, alternative clauses for time charters being shown.

Dated 25 /4 /9  
Agreed 1st May,  
Amended 16 /2  
Amended 23rd Feb 19.....  
Amended 31st Dec

# HARTER, 1896

No. 2.

Adopted by the  
Documentary Co of tons net  
of the Master,  
Baltic and White and expected ready to load about  
Conference.

as agents for the Charterers.

Voyage, shall with all possible

be ordered by them on or before

ding what she can reasonably stow  
shall there-with proceed with all

of Lading (Ship lost or not lost),  
Charterers or Shippers written notice  
at delivery of the Cargo, in suffi-  
arranged between the Owners and  
Captain's option. The Receivers  
Charterers' account at port of loading  
destination (together with a charge

of Two per cent. on the amount

Vessel put into any Port or Ports

Ship be not ready in loading dock as  
made respecting the size, position or  
on notice of readiness being given.  
ht, Dead Freight, and Demurrage

amount of Freight.

on the

Witness to the

Witness to the

.....in good order and condition

.....in and upon the good

.....whereof

.....is Master for this present Voyage and bound for

.....at any ports in any order, for bunkering or other purposes or to make trial trips after the contract voyage,

.....tons  $\left. \begin{array}{l} \text{Colliery} \\ \text{Railway} \\ \text{Dock} \\ \text{Works} \end{array} \right\}$  weight, weight shipped unknown,

.....the like good order and condition at the said Port of

.....they paying Freight for the same as per Charter-Party

.....19..... all the terms, conditions and  
.....Charter-Party are herewith incorporated.

.....ording to York-Antwerp Rules, 1924.

.....tions of the Carriage of Goods by Sea Act, 1924, and the Schedule thereto, are to apply  
.....ding, and the Owners and the Charterers are to be entitled to the benefit of all privileges  
.....Act, and the Schedule thereto, as if the same were herein specifically set out, the unit  
.....or to the extent that, any term of this Bill of Lading is repugnant to or inconsistent  
.....shall be void.

.....f the Master or Agent of the said Vessel hath signed

1. Title of the contracting parties.
  2. Name of the vessel.
  3. Warranty of seaworthiness of the vessel and the evidence.
  4. Description of the vessel.
  5. The loading and discharging ports. (For a time charter: the date of delivery and date of redelivery of steamer.)
  6. Cargo to be carried. (Time charters: the radius of trading.)
  7. Position of the vessel. (Time charters: date vessel will be ready.)
  8. Remuneration. (Voyage charters: freight. Time charters: hire.)
  9. Lay days and how they count. (Voyage charters only.)
  10. Days of demurrage and dispatch and the rate. (Voyage charters only.)
  11. Brokerage clause.
  12. Lien clause.
  13. Act of God clause.
  14. Exemptions from liability clause.
  15. Average clause.
  16. Arbitration clause.
  17. Penalty for non-fulfilment clause.
  18. Sub-letting clause.
  19. Deviation and salvage clause.
- In addition to these the following may be found *only* in time charter-parties—
1. Clause as to who pays fuel and port charges.
  2. Provision that time ceases on breakdown.
  3. Return of overpaid hire if vessel is lost.
  4. Charterer's right to complain of master and chief engineer.
  5. Charterer's obligation to provide master with full sailing directions.
  6. Bunkers on board.
  7. Drydocking.
  8. Bill of lading.

Voyage charters may also contain clauses in relation to the following matters—

1. Limitation of liability clause (Cesser clause).
2. Description of cargo.
3. Options of other ports and cargoes.

#### EXPLANATIONS OF CLAUSES

The explanations in brief of the foregoing clauses are—

1. *Title of contracting parties.* Names of the charterer and owner of the ship.

2 and 3. *Name of the vessel and warranty of seaworthiness, etc.* The warranty of seaworthiness may be in the form of the words "good ship" with the class of the vessel added, e.g. good steamship called the..... classed 100 A1 at Lloyd's.

It is well to remember that once a steamer has commenced loading the charterer cannot demand cancellation for unseaworthiness. Also, that although a ship may be 100 A1 at the commencement of the voyage, there is no obligation on the owners to keep this class during the period of the charter-party.

If a vessel is seaworthy for the voyage in prospect this is all that is necessary. In explanation of this point a vessel proceeding from *A* to *C* via *B*, has only to be seaworthy to reach *B* from *A*, and the owner must then make his vessel fit for the remainder of the voyage from *B* to *C* before ship leaves port *B*.

4. *Description of the vessel.* This is only contained in the gross and net tonnage of the vessel.

5. *Loading and discharging ports.* This requires no explanation.

For a time charter-party this would not apply, as a vessel being hired for a stated period there is no necessity or desire for the owner to know where the vessel is to load, and instead the time charter contains date of delivery of steamer and date of redelivery, these being the two dates between which the charterer hires the vessel.

6. *Cargo to be carried.* In a voyage charter this is stipulated together with the amount of cargo to be carried. This, again, is not necessary in a time charter, with the exception

of the term "any lawful merchandise," but the radius of trading is inserted. Radius of trading is usually very broad, and a term similar to "World-wide radius, ice-bound ports excepted" may be the only reference to this point.

7. *Position of the vessel.* For voyage charters. A statement which must be perfectly correct in detail. If the owner states that the ship is "now at Antwerp," and it is proved later that the vessel was not at Antwerp, charterers may claim cancellation of the charter-party. In a time charter the date when the steamer will be ready is given in place of the above clause.

8. *Remuneration.* For voyage charter-parties freight is paid on the amount carried, but for time charters the payment is by hire for the period of the engagement.

9. *Lay days and how they count.* This clause applies only to voyage charter-parties, as an owner is not concerned with the time that a vessel on time charter spends in loading and discharge.

10. *Days of demurrage and dispatch and the rate.* The preceding explanation also applies to this clause. Should a vessel load and/or discharge in less than the prescribed time, owners of a steamer pay dispatch money as a "reward" for time saved. If, on the other hand, the time allowed is exceeded, then demurrage is payable at an agreed rate to the owner as "compensation" for lost time.

11. *Brokerage clause.* States the rate of brokerage that shall be paid.

12. *Lien clause.* Giving owners of the vessel a right to hold cargo against payment of freight, or hire.

13. *Act of God clause.* This is identical with the clause to be found in the Carriage of Goods by Sea Act, 1924, and has the same application.

14. *Exemptions from liability clause.* This clause includes many occurrences from which owners claim exemption, and as the Carriage of Goods by Sea Act does not apply, there is no restriction. A few of these exemptions are—

*Barratry.* Any wilful wrongdoing of the master and/or the crew without the connivance of the owners. Actions

of the master or crew without the intention to defraud owners, or actions which cannot be described as criminal, are not included under this heading.

*Capture and seizure.* Acts of taking the ship by an enemy or belligerent, or the forcible taking of the ship.

*Queen's enemies.* Opposing forces of the Crown. The ship's nationality is its flag, and this clause may be read as any enemy of the country of the ship's nationality.

*Restraint of princes.* Every case where the voyage is interrupted by the supreme power of the country, such as an embargo, or prohibition of cargo.

*Perils of the sea.* As described previously in the Carriage of Goods by Sea Act.

15. *Average clause.* This clause states that general average, if any, shall be payable according to York-Antwerp Rules. As there are two sets of rules, the 1890 and 1924, the date must follow. The rules issued in 1924 did not cancel the code drawn up in 1890, although the 1924 rules are generally adopted.

16. *Arbitration clause.* This sets out that any disputes shall be referred to arbitrators, and gives the conditions under which arbitration shall be carried out.

17. *Penalty for non-fulfilment clause.* Gives the amount to be paid for default in carrying out the charter-party agreement.

18. *Sub-letting clause.* This clause gives or refuses to allow permission for the vessel to be sub-let, or sub-chartered under the charter-party.

19. *Deviation and salvage clause.* Allows or refuses to allow steamer to deviate in order to save life or property, and also for the purpose of salvage.

The time charter-party clauses usually incorporated are as follows—

1. *Clause as to who pays fuel and port charges.* This clause stipulates that all charges including the above are to be paid by the charterer.

2. *Provision that time ceases on breakdown.* Commonly known as the *breakdown clause*—is inserted to adjust the

hire when by reason of a breakdown the vessel ceases to operate. If by breakdown of machinery the vessel ceases to operate, the charterer is entitled to some return for lost time. The stipulation is usual for a period in excess of twenty-four hours, after which time ceases to count, and the charterer is credited with such time lost by the breakdown in his settlement for hire of the vessel.

3. *Return of overpaid hire if vessel is lost.* Essentially a time-charter clause, stating that, should the vessel be lost, hire shall cease to be chargeable, and any amount overpaid shall be returned.

4. *Charterer's right to complain of master and chief engineer.* This clause gives the right to the charterer of making any complaint to owners regarding these officers. They are left on board the steamer by the owners, as their representatives, and also to be in "possession" should owners wish to exercise a lien for hire money not paid. The charterer, not being the actual employee of these persons, must be given some power of authority, and such power is contained in this clause.

Some time charter-parties are fixed allowing the charterer to appoint the whole of the ship's personnel, including master and chief engineer. When this is the case, the charter is known as a demise charter, and is for all practical purposes a transfer of ownership of the vessel for the period of the charter, the owner having no control whatsoever over his vessel from the time she is hired until she is returned. This charter is often known as a "bareboat" charter.

5. *Charterer's obligation to provide master with full sailing directions.* The master, in order to carry out instructions, must have full directions, and failure on the part of the charterer to supply these may entail delay and lost time.

The third list of clauses which are clauses a voyage charter may contain are—

1. *Limitation of liability clause.* Known widely as the *cesser clause*, and stipulates that "Charterers' liability shall cease on the loading of cargo, and qualified payment of freight, dead freight, and demurrage." When the charterer



has loaded the cargo, and paid the charges incurred, his liability ceases.

2. *Description of cargo.* This is phrased as "The charterer shall load a full and complete cargo of.....not exceeding.....tons, not less than.....tons."

A full and complete cargo may be described as a quantity sufficient to sink the vessel to her load line in excess of tackle, provisions, furniture, etc. The two quantities are stipulations between which any amount constitutes a full and complete cargo.

3. *Options of other ports and cargoes.* Gives permission for the vessel to carry other cargo than that fixed in the charter-party, usually, however, at the same rate of freight, and also the option of calling at other ports for loading and discharge.

The principal disputes which arise in connection with charter-party agreements are usually with reference to the meaning of clauses, and the ambiguous way in which they are drawn up, giving lack of definite expression. Protection and indemnity clubs to which reference will be made later, are always anxious that owners shall wherever possible fix steamers upon some recognized charter-party form, in order to avoid possible extra liability.

The fact that charter-parties are generally printed does not prevent a charter-party being fixed on any other form. Charters may be made upon plain paper, by letter, or even by telegram, and it has been known for a charter-party to be drawn up on the back of an envelope.

By the adoption of a printed form, however, the conditions as printed may be altered or amended to suit the circumstances of charterer or owner, in which case alterations are made to the existing print. In these cases the written clauses and amendments always overrule the printed conditions; such alterations must, however, be made with care, as the alteration of one clause may lead to alteration through contradiction of many others.

Charter-parties may be made by word of mouth. Such a practice, however, is most unsatisfactory, as there is no

proof of terms and conditions and this may prove to be disastrous. Charter-parties made by word of mouth of course are not stamped, there being no document to execute.

Several points raised in connection with charter-parties are given below—

*Always afloat.* Meaning that the vessel shall remain afloat during the whole of her loading or discharge, and shall at no time rest upon the bottom of the river or dock.

*"Redelivered in like good order and condition."* Charterer must redeliver the steamer after the period of the time charter has elapsed in the same condition as when he accepted her, with the proviso "fair wear and tear excepted." In some time charters the charterer has the right to paint the funnel any colour he may wish—in order to make the ship uniform with his other vessels, if running on a regular service—but on redelivery of the ship, it is his obligation to repaint the ship's funnel its original colour. All damages must be repaired if they occur whilst under charter.

*Brokerage.* The broker is entitled to a commission for the business transacted under the charter-party, and this constitutes part of the contract. As, however, he is not a principal in the agreement, he is not entitled to sue for his commission, but may claim the protection of the charterer, and the principal is then bound to sue for the commission claimed. This in effect is the borrowing by the broker of the principal's name in order to overcome the point of law in this connection.

*Representation or misrepresentation.* Occasions arise where incorrect particulars are given in the charter-party, and any claims which may arise are judged upon the extent of such representation and its effect on the contract.

*Signing charter-parties.* If the charter-party is signed in an unqualified manner, then the signatories to it are considered the principals; therefore when a broker signs a charter-party for his principal he must qualify his signature accordingly. Should it be mentioned in the charter-party that "John Brown" is acting as agent and reference be made to him as the agent, there is no necessity to state that he is

the agent, as the charter-party is judged as a whole, but the agent should make this point clear by signing "John Brown as Agent for the charterers," and where the contract has been fixed by telegraph, then he should make arrangements that his signature is qualified by the words, "By Telegraphic Authority."

Cases may occur where brokers are advised to fix a steamer of 800 tons, and upon confirmation being given discover that the tonnage should have been 8,000. Unless they have agreed that contract by "Telegraphic Authority," or some similar qualification, there is no recourse, and the charter must either be carried out, or cancelled; in either case a loss would probably be incurred.

*Custom of trade.* Custom of trade must be such that it is a recognized custom, and known generally by all engaged in that trade. Where this is pleaded or mentioned it overrules charter clauses, unless specifically excluded.

In voyage charter-parties it is recognized that notice of readiness or advice to the charterer that the steamer is ready to load in accordance with the terms of the agreement shall be given. This notice must be given before the lay days start to count, and may not be given until the steamer is actually ready in all respects. This means that the steamer must be ready to receive the cargo, and failure to have all holds ready—even though only one or two may be worked—for the reception of cargo makes the vessel unready. In the case of grain charter-parties, shifting boards, which are partitions to prevent the grain moving on voyage (see page 121, *post*), must be provided and be ready for use at the same time as the steamer, to claim perfect readiness.

A sailing telegram is sent when the vessel leaves for her port of loading, to acquaint the charterer of the position, in order that he may ascertain the date when the vessel will be an arrived ship and ready to be worked.

The charterer must arrange to supply his cargo when the ship is ready to load, and any delay is for his account; when his lay days are used, demurrage is charged for extra time incurred. Any delay which may occur outside the charterer's

control, as transport to ship, is no defence for the charterer. Should, however, a strike or some change in circumstances of a like nature arise which makes the carrying out of the charter-party impossible, then the charter may be considered to be frustrated by delay.

When the charterer supplies the cargo, the master must take same on board with all reasonable speed—expressed in the term “as fast as steamer can load.” The supplying of the cargo is generally considered to mean supplying the cargo alongside the ship, or within reach of the ship’s gear.

Lay days are qualified as excluding Sundays, Bank holidays, and public holidays, therefore the number of lay

IT IS MUTUALLY AGREED between.....Owner of  
the good ship.....classed.....  
Gross.....net.....now at.....and  
Messrs.....as Charterers.

That said steamer being tight and staunch and in every way fitted for the contract in prospect is agreed to be delivered to the port of.....on.....or if not ready by the  
.....and to be redelivered in like good order and condition, fair wear and tear excepted at.....or as near thereto as possible on.....

Hire is to be paid at the rate of.....per month, payment to be made in cash in London.

It is agreed that steamer shall not be responsible for Act of God, Perils of the Sea, Queen’s Enemies, Pirates, Rovers, Thieves, and Restraint of Princes of any kind whatsoever.

Time ceases to count in the case of a breakdown of machinery lasting for more than 24 hours, or for the purpose of dry-docking for inspection.

It is mutually agreed that steamer shall carry any lawful merchandise, not requiring special handling, loading or stowage, and shall trade within world-wide radius, ice-bound ports excepted, within Institute Warranty limits, providing that vessel shall always be afloat.

Owners to appoint Captain and Chief Engineer, but Charterers to provide stores, provisions, crew’s wages, and maintenance.

Any bunkers on board at port of delivery to be purchased by Charterers at current prices at that place, and any bunkers on board at port of redelivery to be purchased by Owners at prices ruling at that port.

Owners to have a lien on cargo or freight for hire money due and not paid.

It is agreed that a commission of 5 per cent shall be paid to Brokers acting on behalf of Charterers.

..... Signature.

Date

days from Thursday to the following Wednesday would be only six, and from Thursday to Wednesday at Eastertide only four days (Good Friday, Sunday, and Easter Monday all being excluded). It is advisable to be careful when dealing with a foreign country to see that religious festivals and local holidays are excluded in order to avoid loss of one or more lay days.

All terms and conditions of bills of lading issued under a charter-party are controlled by the charter-party terms, and the clauses of a charter-party overrule the terms of a bill of lading, unless bill of lading is endorsed to third party.

Whilst charter-party forms are reproduced in this volume, the form, shown on page 53, of simple time charter gives the formation of a charter-party.

## CHAPTER VIII

### FREIGHT

FREIGHT is the consideration payable to the carrier for the safe carriage and delivery of goods in a merchantable condition.

Charter-party freight and bill of lading freight differ in many respects, and these are discussed separately in order to prevent confusion.

Bill of lading freight is due on safe carriage and delivery of the goods. Many companies, however, demand freight in exchange for bills of lading, or freight to be paid within seven days of steamer's sailing. This is adopted in order to make collection easy and assured.

Freight on bill of lading shipments is calculated in three ways, weight of cargo, measurement of cargo, or, when the value is high, at *ad valorem* freight, the latter being chargeable at so much per cent on the declared value of the goods.

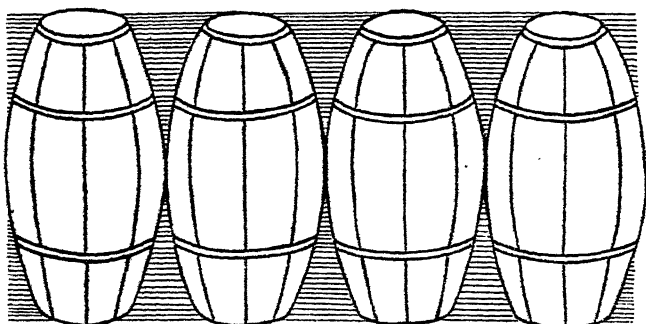
The carrier has the right of deciding whether the goods shall be carried at weight or measurement, whichever produces the highest rate of freight. Whilst appearing at first glance to be to the advantage of the carrier, this is reasonably decided on the basis that heavy cargo will sink a vessel to her load line, long before the space is fully occupied, and light cargo will fill the space of the steamer's holds and yet not bring the steamer down to her mark. Relationship of weight to measurement of cargo is dealt with under cargoes.

Basis of freight is calculated on 40 cubic feet to a ton, or 20 cwts. to a ton. This has its origin in the fact that in olden times four hogsheads of wine constituted a "tun," and occupied approximately 50 cubic feet. This "tun" of 50 cubic feet has by usage and custom gradually altered into the ton of 40 cubic feet, which is now the basis for freight calculations.

It may be considered that light cargoes, fine goods,

provisions, etc., are charged on measurement, and heavy cargoes pay freight on their weight.

An example of this may be given: a case measuring 5 ft.  $\times$  4 ft.  $\times$  3 ft., produces 60 cub. ft., constituting  $1\frac{1}{2}$  tons measurement at 40 cub. ft. The actual weight of the case, however, may be 1 ton if filled with light goods or 2 tons if filled with heavy goods. In the first example there is excess of half a ton measurement over the weight, and the cargo becomes chargeable at measurement rate, whilst in the



latter case there is an excess of half a ton weight, and the cargo therefore being rated at weight.

For measuring cargo, exterior measurements are taken, fractions of an inch being counted as an inch on the first measurement, and dropped on the second measurement; for example, a case measuring 2 ft.  $4\frac{1}{2}$  in.  $\times$  3 ft.  $6\frac{1}{2}$  in.  $\times$  6 ft.  $8\frac{1}{2}$  in., would be cubed as 2 ft. 5 in.  $\times$  3 ft. 6 in.  $\times$  6 ft. 9 in.

Cargo of uneven shape which loses space in stowing is chargeable on the actual space occupied, including the lost space. All space lost in such circumstances is termed broken stowage, a good example of which may be given in the accompanying sketch of a shipment of barrels.

Here broken stowage occurs in the spaces shaded. The shipowner, therefore, is entitled to charge for space used, and may calculate same as if the diameter of the barrel is the same at the top and bottom as the centre.

Freight on bill of lading shipments is usually charged according to tariff rates, which are fixed by the different

conferences referred to in an earlier chapter. These rates of freight are adjusted from time to time.

The master has a lien on all goods for freight due, but not paid, and until these charges are paid he may retain cargo. The consignee is not entitled to receive the goods until the freight has been paid, and the shipowner is strictly not entitled to his freight until he has delivered the cargo, unless contract calls for freight in advance.

If the master delivers the cargo before payment of freight he may lose his lien, therefore he is entitled to claim his freight when he is *ready* to deliver.

Charter-party freight is fixed at an agreed rate for so much per ton (1,015 or 1,016 kilos) or other trade measure. Here there is no stipulation for weight or measurement cargo.

Charter-party freight is nearly always due on delivery of the cargo, and when the contract is silent as to the time for payment it is understood that freight is paid concurrently with delivery. The term "Freight paid ton by ton delivered," must not be taken to mean what it literally says. Here a total of the day's work and cargo discharged is notified to the charterer who pays freight on that quantity.

Again, a carrier is not entitled to his freight until cargo is delivered, and in the event of the ship not reaching its port of discharge no freight may be claimed.

The shipowner is not entitled to claim pro rata freight for the part of the voyage he has carried the goods, but if the ship does not complete the voyage, the master may make arrangements to tranship the cargo to final port of discharge and thus earn his freight, all charges for such transhipment or forwarding being for his account.

There is an exception to this rule, however: if the consignee is notified that the ship has stopped short of its destination, and voluntarily agrees with the shipowner to take delivery at the intermediate port, then pro rata freight would become chargeable.

Whenever disputes occur regarding the weight of cargo carried, the person who requires the goods to be checked, must pay costs of such check-weighing.



In the case of damaged cargo, the shipowner is entitled to full freight provided he delivers the cargo; if, however, the goods are lost in transit no freight is earned.

In addition to the foregoing there are several other types of freight; these are—

*Dead freight.* Payment for space booked but not used. When by contract or charter-party space is booked for a definite quantity, and shippers fail to provide cargo, or do not provide the full amount agreed, then the owner is entitled to claim dead freight for unoccupied space.

The shipowner, however, is not entitled to place himself in a better financial position by receiving dead freight in excess of the actual freight he would have earned by the carriage of the goods. Dead freight is therefore calculated by the amount of cargo which should have been carried, but which in fact was not, at the agreed rate of freight, less all charges which would have been incurred by the owner in the carriage of the goods, i.e. loading and discharging expenses.

Dead freight is rarely demanded in cases where a shipper books space for a few cases in a berth shipment and fails to supply them.

*Back freight.* Freight charged for the return of goods which have not been accepted at port of delivery. Should a shipper forward goods to a consignee who refuses to take delivery, the owner may either exercise his lien—if freight has not been paid—and sell the goods, or return them to the shipper. The shipper is then charged with an additional amount of freight for their return, which is known as back freight.

Another form of back freight is when goods have been overstowed or overcarried, through a wrong mark appearing on the case. For example, goods intended for Monte Video, and port-marked "Buenos Aires" would not be accessible at Monte Video, and would, therefore, have to be overcarried to Buenos Aires. There again back freight would be chargeable for the return of the goods from Buenos Aires to Monte Video, and if wrongly marked would be chargeable to the shipper.

If, however, goods have been wrongly stowed, and are overcarried, the mistake is the error of the carrier and no back freight becomes chargeable.

*Lump sum freight.* An agreed amount for the carriage of the goods, not based upon quantity. This freight is payable in full irrespective of the quantity delivered.

For example: a shipper wishes a cargo of anything up to 4,000 tons to be carried to a certain port, and agrees to pay the carrier the sum of £3,000 for the carriage. He may, therefore, ship either 400 or 4,000 tons and the freight paid still remains at the lump sum figure of £3,000.

In order to earn this lump sum freight the shipowner must carry and deliver at least some of the cargo.

In the case of cargo short delivered, the receiver is only entitled to claim for the value of the cargo, and not for the freight unearned. Lump sum freight is payable irrespective of quantity delivered.

Freight of this nature is advantageous to a shipper who is uncertain of the quantity of cargo to be carried, as by making such an agreement, he can obtain a cheaper rate than if he shipped under a charter fixture.

*Advance freight.* Perhaps the most important type of freight, being payable in advance and recoverable only if the shipowner deliberately contributes to the loss. If the ship should sink or be a total loss on her outward trip or cargo be lost by an accepted peril, the cargo owner is unable to obtain the return of his freight if paid in advance.

It is a matter to be settled by the bill of lading terms whether the freight paid on delivery of bills of lading constitutes advance freight or not. This can only be settled by reference to the clause relating to it in the bill of lading.

When charter-parties are fixed and a proportion of freight is payable in advance, this may be either advance freight, or payment on account of disbursements. If it is advance freight then in the case of a loss it is never returnable, but where it can be proved by the terms of the contract only to have been a payment on account for disbursements and other charges, then it does not come under this heading.

It is curious to note that if the agreement states that freight shall be paid in advance and it is not paid, and the steamer meets with disaster before such payment is made, the carrier is entitled to sue the shipper for payment of advance freight.

The most simple method of ascertaining whether freight is advance freight or not, is by finding who bears the insurance. If shipper insures the freight, it is advance freight; if shipowner bears the insurance, it is not advance freight.

Great care should be taken in dealing with this last type of freight.

*Stoppage in transitu.* The carrier has the right of stopping goods in transit if freight has not been paid when freight is to be paid within a stipulated time before delivery. He may instruct his master to hold or return the goods. Should the shipper himself have paid the freight and charges, and not have received payment from his consignee who refuses to pay, or becomes insolvent or bankrupt, he also may instruct the carrier to have the goods stopped until such a time as he may notify him of receipt of the charges, or if there is no chance of his consignee paying for the goods then he may instruct the carrier to return same to him. In this case back freight would be chargeable to the shipper.

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## CHAPTER IX

### LIENS

A LIEN is the right to hold property against the satisfaction of a claim.

Liens may be divided for the purpose of this chapter into two classes, the common law or possessory lien and the maritime lien.

A common law lien is enforceable under common law. By virtue of it a holder of goods may retain them until such a time as his charges are settled. He has no right to sell the goods, and except where the Merchant Shipping Act, 1894 (Sects. 492-501) allows them to be landed without loss, a shipowner has no right of lien once he has permitted the goods to be taken from the ship. Possession, actual or constructive, is essential to a common law lien.

The common law right to retain goods may be extended by statute or agreement.

A maritime lien is a claim on ship's tackle, ship, or cargo, also for settlement of charges incurred. It is not based on possession.

Speaking generally, liens are only enforceable on the actual subject which has caused the debt, and are not transferable. This, however, is overcome in relation to freight liens by the carrier including in his bill of lading a clause which gives him the right to spread his lien, and make it what may be termed a "general" lien, whereby he may exercise his lien on goods other than those which incurred the debt or charges.

Liens are enforceable on cargo for freight, but it must be remembered that this does not include advance freight, dead freight, or freight payable after delivery.

Where a lien is exercised for freight, the shipowner may hold the cargo until the freight and charges are paid, and, as mentioned earlier, it is quite usual to find a clause in the bill of lading or charter-party expressing that such a lien be

transferred or extended to other goods belonging to the same receiver (or shipper, whoever is due to pay such charges). This extension or generalization of lien must be according to the terms of the contract, and if such a condition is not mentioned therein the lien may not be transferred.

A lien cannot be exercised on advance freight because this of course is paid in advance, and there is no necessity for such a lien to be required.

In the same way, dead freight is usually excepted from liens. As already mentioned, dead freight is freight payable on space booked but not used, and the carrier has no object upon which he may exercise his lien.

Where payments for advance freight or deadfreight have not been secured these charges may be applied by the terms of a general lien to other cargo belonging to the defaulting shipper.

When the terms of delivery are "freight payable *after* delivery," then delivery must be made before freight is due, and in order to obtain the right to claim freight the carrier must lose the goods and also lose the lien.

Reference has been made to demise charter-parties, and it may be observed that by this type of charter-party the owner of a steamer has no representative on board the ship who is in a position of exercising a lien on cargo or ship for the payment of hire money due.

For general goods and perishable goods there is a slight variation in the application of a lien.

General goods must be retained for 90 days before they may be sold to satisfy the lien, during which time any offer of settlement must be accepted.

In the case of perishable goods, these may be sold immediately in order that the carrier has an object upon which he may exercise a lien. If the receiver of perishable cargo is not forthcoming, or his charges are not paid immediately the goods are ready to be landed, then, if the carrier wishes, such goods may be sold whilst they are in a saleable condition. The retention of fruit, for example, for the period

of 90 days would be long enough to destroy the object upon which the carrier anticipates realization of his charges. It may be mentioned here that it is always the receiver of cargo who is responsible for ascertaining when the goods will be discharged, and there is no obligation on the part of the carrier to notify him of the arrival of the ship. It is always best in the interest of friendly relationship between all parties that the carrier shall notify the receiver when the goods will be discharged from the vessel.

If goods are discharged from the ship into a warehouse, then the owner of such goods may claim them on tendering to the warehouse keeper or other responsible person, the charges incurred by the shipment plus warehouse expenses, and this gives to the warehouse keeper the right to deliver goods immediately.

It has been stated in cases in the past that a carrier may, if he so desires, use his ship as a warehouse by retaining cargo on board, and for such time that his ship is engaged as a "warehouse" he may claim rent, to which he is legally entitled. Carriers usually prefer to discharge the goods rather than delay their vessels, and incidentally incur heavy expenses for dock charges.

After the period of 90 days has elapsed then the goods may be sold, such a sale being known as a compulsory sale. Before a compulsory sale takes place, the owner of the goods must be notified, if possible, and the sale advertised in at least two papers, and the goods sold publicly. The amount realized by such a sale is disposed of in the following manner—

Payment of customs and excise fees.

Expenses of the sale.

Payment of warehouse fees, and any expenses incurred in this connection.

Landing charges.

Settlement of the lien.

It will be seen that sufficient cargo must be retained to satisfy all these charges, otherwise the lien is not perfect. Should there not be sufficient money realized by such a sale,

then the person who exercises the lien is consequently out of pocket, and has little recourse for the balance to the late owner of the goods.

On the other hand, if after the lien is settled, and all the charges are paid, there should be a balance over, then this amount remains the property of the cargo owner, and must be handed to him.

Once a shipping agent has put the cargo into the carrier's hands, he loses possession of such goods, and consequently upon failure of his consignees to make payment, is debarred from exercising his right. He may, however, make recourse by requesting the carrier to stop such goods or return them in the event of freight or charges not being paid. As the majority of agents send their documents forward through banking houses this practice of stoppage *in transitu* (see p. 60) is generally rare, the banking house holding the documents, or exercising their lien, until charges have been paid to them.

Maritime liens are somewhat different from common law or possessory liens, usually being incurred for services rendered, or for injury caused, or again for breaches of foreign laws resulting in fines made upon the ship.

These maritime liens travel with the object upon which they are enforceable (i.e. ship, tackle, or cargo), irrespective of the number of persons through whose hands the object may pass. Reference to a bill of sale for ships will show there the term "free of incumbrances," which sets out that there is no mortgage, or lien outstanding upon the ship. If a purchaser of tonnage buys a ship and does not see that such a clause is in his bill of sale, he may find there is a maritime lien upon the vessel, in which case he, as the present owner, must make settlement or risk seizure.

A holder of a bottomry bond, or a respondentia bond, has a lien on the ship and cargo respectively, for the settlement of his charges.

A bottomry bond is the document used when a loan is made to the master, in exchange for which and by way of security he pledges his vessel, that in the event of her

returning to port or reaching her destination settlement of the loan will be made, or the holder of the bond has the right to exercise his lien, and seize the ship in lieu of payment. A respondentia bond applies to a loan on the security of cargo alone, when the master is unable to obtain sufficient money for his purpose against the pledging of his owner's credit or vessel, in which case he may pledge the freight, and finally the cargo.

Should a vessel be lost, when a lien is held either by way of bottomry or respondentia, then the holder automatically loses his right of lien, because the object upon which he has the power of exercising such lien has ceased to exist. It will be noticed by reference to the form of bottomry bond in the appendix that the holder of the bond is given settlement or right of lien only upon the safe arrival of the ship.

When a vessel is seized under a maritime lien, it may not be sold until such a time as action has been taken, and sanction has been given by a court of law for the vessel to be disposed of.

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## CHAPTER X

### GENERAL AVERAGE

THE law of general average is included in the law of every country engaged in maritime adventure, and dates back as one of the early, if not the earliest, laws in connection with shipping. Its principle is: "That which is sacrificed for all, is borne in proportion by all interested in the adventure."

The custom arose in olden times when merchants used to travel with their wares. If a disaster occurred where the saving of the vessel could only be avoided or overcome by one of the merchants sacrificing his wares, it was an understood thing that all the fellow travellers should make good the loss sustained by the merchant in order that such merchant should not ultimately suffer by his loss.

The principles of general average were known in the merchant codes of the Cretes and the Romans, and were included in the Rhodian Law.

The definitions of general average to be considered are those in the York-Antwerp Rules, and the Marine Insurance Act, 1906. General average is a distinct subject from marine insurance, but it is incorporated in the Marine Insurance Act as it is the practice of merchants and owners to insure against possible contributions to general average.

The York-Antwerp Rules state—

"There is a general average act, when and only when any extraordinary sacrifice or expenditure is intentionally and reasonably made or incurred for the common safety for the purpose of preserving from peril the property involved in a common maritime adventure."

The Marine Insurance Act, Sect. 66 (2), states—

"There is a general average act where any extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure."

The essential features are—

1. *Extraordinary sacrifice.* The sacrifice must be extraordinary and not the sacrifice of articles by using them for the purpose for which they were provided, e.g. rockets and flares which are used for distress signals are provided for this purpose and are, therefore, not a general average expense.

2. *Voluntary sacrifice.* The sacrifice must be a voluntary one, and where property is potentially lost it cannot be considered to have been sacrificed and is, therefore, not a general average act.

3. *General.* The peril must be general, and the interest must be for all, and not one party only, e.g. for the advantage of ship or cargo alone.

There are general average losses and general average expenditures.

A general average loss is a direct loss due to a general average act, such as jettison of cargo, damage to ship's engines, forcing ship off ground, or material burnt for fuel.

A general average expenditure is an expense incurred due to a general average act, as for example expenses of entering a port of refuge or of repairs, or of discharging and reloading cargo necessary for repair purposes.

The calculation of the amount lost or expended on the general average act in case of damage to a ship is based on the reasonable cost of repairing the vessel, less a deduction of "New for Old." A shipowner having his vessel repaired due to a general average act is, after such repairs have been made, in a better position than he was before such general average act, because he has new material where previously there was only old, and consequently a deduction or allowance must be made for this.

Cargo is based on the market value of the goods at the port of destination on the last day of discharge. If goods are destroyed the consignee receives the market value of the goods less such expenses (landing charges, customs duty, etc.) as he would have been called upon to pay had the goods been delivered.

Where goods have been delivered damaged, then the

amount payable is the difference between the net sound and net damaged value.

The shipowner is entitled to claim for freight which he has lost by reason of non-delivery, less all expenses that he would have incurred in the discharge of the cargo.

The interests which contribute to the general average fund are cargo, ship, and freight. Cargo is based on the gross arrived value less deduction for charges (freight, landing, etc.); ship, on the value of the vessel, either sound or damaged; freight, the gross amount at risk, less deductions for port and landing charges, etc.

No person claiming under general average is allowed to profit by such a loss, and may only receive compensation for the actual loss which he has suffered. In the case of a cargo owner who loses the whole of his cargo, he receives the value of the cargo less his proportion of the contribution to the fund for the amount of his lost cargo.

The settlement of a general average act is known as an adjustment, and the work entailed is very extensive and detailed. This work is carried out by average adjusters.

This adjustment should be carried out at the port of destination or the place of termination of the voyage. The adjustment may be drawn up elsewhere, but only provided it is done in the same manner as carried out at port of destination.

It is the duty of the shipowner to have the average adjustment drawn up, and until settlement of average payments has been made, the carrier has a lien on all cargo for contributions.

As the completion of an adjustment takes some considerable time, it is difficult for a carrier to exercise his lien especially when the amount due is not known. The carrier, therefore, obtains from the consignee or owner of the cargo a signed bond, known as an average bond, stating that when the value of the loss has been ascertained he will pay his proportion. He also makes a deposit on account, for which he receives a "Deposit Receipt," and the cargo is then released to him.

The collection of contributions and deposits is usually carried out by the shipowner, and these sums are paid into a "General Average Account," which is a joint account, in the name of the shipowner and a representative of the cargo owners. The interest that is earned by this money whilst on deposit in the joint account is for the benefit of the depositors, and is included in the final statement.

Where the cargo owner has insured against general average losses the underwriter usually pays an amount equal to the cargo owner's proportion, and should there be any refund when settlement is made, this is refunded to the underwriter.

When the adjustment is complete copies are circulated to all parties concerned and the settlement is then made.

It will be seen on reference to the appendix that there are two sets of York-Antwerp Rules, the 1924 and 1950 codes. Both codes are in operation, and the bill of lading or charter-party should be clearly worded stating under which code of rules settlement shall be effected.

The rule of interpretation at the commencement of the 1950 code, makes it clear that the 1950 Rules form a General Average code in themselves and defines the relative functions of the lettered rules and numbered rules.

The rules are included in the appendix of this volume, and should be closely studied and comparison made between the 1924 code and the 1950 code.

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## CHAPTER XI

### THE MASTER

THE correct title for this person of authority is the "master" of a ship, although many persons use the expression "captain." The term captain is applied only as a courtesy title, and is strictly a naval rank. All documents speak of the master of the ship, and never refer to him in any other manner or style.

His duties are many. He is in absolute charge of his vessel, and in addition to being in control of his ship, may bury people, act as a lawyer, a spiritual comforter, and when there is no doctor on board his knowledge is usually sufficient to allow him to act in that capacity. It has not been possible to trace the right of a master to conduct marriages. This would appear to be what might be described as legal fiction.

His authority is very extensive, and in the past was even more so than at present. The major part of the control is now vested in the marine superintendent and the shore staff of the vessel.

Years ago when a vessel left her port of loading, she was not heard of again by the owners until she returned, there being no communication by telephone, wireless or cable, and consequently the master had to be entrusted with the ship's business, and the ship's management, and his authority was definitely extensive and gave him considerable powers. Now, however, by the invention and introduction of these methods of communication, the owners may advise the master what to do, and where to go, may fix business at one end of the world for ports at the other end, and they have accordingly taken over the greater proportion of the business which was formerly transacted by the master. He is thus relieved of much of his past responsibility, and it is usually found that when encountering matters of a difficult nature he will cable or advise his owners and await their instructions.

It was in those early times of complete responsibility of the master that use of bottomry bonds and respondentia bonds was regularly made. When a master of a ship found that the freight he had earned and collected, and other moneys on board were insufficient to pay for charges he had incurred, then bottomry bonds were used, by which the ship was pledged against a loan. If the ship proved to be insufficient for this purpose then the cargo was also pledged by way of respondentia bonds. Now, however, within a few minutes large sums of money may be transmitted from one country to another, and the need for these documents has consequently decreased.

Apart from the powers of managing the ship's business, the master has supreme power on board his ship, and may arrest either the crew or passengers of the ship if they become a menace to the vessel. In the case of a passenger being arrested it is usual for him or her to be detained in a cabin until the vessel reaches its destination. In the event of a person becoming a dangerous menace, then the master may have such a person put in irons. In all cases prisoners are handed over to the authorities at the port of destination, or if convenient at an intermediate port.

In the case of a mutiny, any act of the master is regarded as one of self-defence, and he may call on all persons on board to render assistance (in a similar manner to police officers on land who may demand assistance in a time of danger from any person), failure to give such assistance constituting a crime.

A master has full authority to purchase necessary stores and equipment for his ship, and the charges for same are a charge against the owners, but goods which may be deemed unnecessary, although ordered by the master for the owners, may be chargeable to the master. He is only allowed to make purchases which are necessary and reasonable. What is "a necessary" may be ascertained by determining whether the owner, being a prudent man, would have acted in a similar manner had he been on board at the time.

The master may pledge either his own or his owner's security for the purpose of raising money, and when this is insufficient he may resort to the use of a bottomry bond or a respondentia bond. The pledging of cargo, however, must not be undertaken unless the conditions are so severe as to warrant such an action. The master as bailee of the cargo has only the custody and safe carriage of the goods, and he may never, unless in a time of danger, interfere with the cargo owner's property, unless this is of direct benefit to the cargo owner's interest in the adventure. The pledging of cargo to ensure completion of the voyage would come within cargo owner's interests.

When a master receives orders which may be regarded as unlawful then he is not bound to act upon them.

All bills of lading are signed by or on behalf of the master, and it is the duty of the master to see that goods are on board before he signs the documents, and also that they conform with the description in the bill of lading regarding the "apparent good order and condition." Should he sign for goods which are not as per description then he is fully responsible for any claims which may be made.

The correct time for signing bills of lading is when the goods are received, but as this is a practical impossibility, and the master's time is of greater value to the company, the bills of lading are usually signed for on behalf of the master by one of the company's representatives, and issued from their offices. This, however, does not relieve the master from responsibility in this connection.

In a time of danger to the ship, the master has full authority to act as agent for both shipowner and cargo owner, and may then be considered to have implied authority for all matters, including the disposal of cargo. He may jettison goods and do such other acts which may benefit the adventure as a whole without fear of being held responsible, and may also, when cargo is damaged or in the case of perishable cargo which has deteriorated, dispose of the goods to the best of his ability on behalf of the owner of the cargo. In such cases, he may be found to be

exceeding his authority unless he acts with considerable discretion.

His liability is practically unlimited, and he is fully responsible to the owners as their agent for any default or neglect. For example, in the case of deviation, if a master deviates without authority of the owners, then he is fully responsible and may be sued by the owners for any loss incurred.

In the case of illness the charges for attendance and any expenses incurred are for account of the owners, and in the event of death the expenses for the burial must also be for account of the owners without deduction from salary.

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## CHAPTER XII

### THE CREW

THE master is the authority in command of a ship, and the contract with seamen for the voyage is made between the master and the crew. The shipowner is not a contracting party and has no legal position in this matter.

Seamen must be engaged before a superintendent of the Ministry of Transport and must sign the ship's articles making their contract with the master for the intended voyage. These articles contain the following particulars—

1. Nature of the voyage and length of time.
2. Number of crew, and the capacity in which each serves.
3. Amount of wages to be paid.
4. Time of commencement of work.
5. Scale of provisions to be supplied.
6. Regulations regarding fines, etc.

The crew agree by signing the articles to serve, obey, and be diligent in carrying out their duties, and in a time of danger to do everything possible to save the ship, without regard to the work or without expectation of extra pay for the extra work undertaken in such a time. Should they refuse such extra duties in a time of stress then such refusal may be deemed an act of wilful disobedience.

There is no necessity for a master to sign on any sailor as a member of his crew who does not understand English sufficiently to carry out the commands or orders of the officers.

The nature of the voyage and the duration is usually stipulated in a manner sufficient to cover all time taken on the voyage, for the crew may, on the termination of their period of engagement, demand their wages and close the contract. This, of course, would often leave the owner in an awkward position, especially if the contract terminated at a remote or inconvenient spot.

The number of crew and amount of wages is inserted in the articles, such wages being paid according to scale fees.

The date of commencement of work, and provisions supplied and the regulations regarding fines imposed are also inserted.

To fine seamen for breaches of peace or failure of duty has been substituted for corporal punishment, and the seaman is more inclined to carry out his duties if he knows that a breach of these duties may result in a financial loss to himself.

A seaman on signing articles may leave a proportion of his wages to his own account with a savings bank, or to his wife, father, mother, grandmother, grandfather, child, grandchild, brother, or sister. No other person is entitled to receive an allotment.

Abuse and trading on this allotment of the seaman's wages led to these stipulations, and it is in the interests of all seamen that such persons shall be only those mentioned above. In the case of wives, the production of a marriage certificate is satisfactory evidence for the payment of such allotment. Allotments are payable either monthly or half-monthly from the time when wages are earned until the voyage is terminated, but allotments cease when a seaman deserts or leaves his ship.

A seaman may also obtain an advance note when he signs the articles. This is an advance of wages, chiefly for the purpose of providing him with money to purchase necessities for the voyage in prospect. An advance note may be considered to be a cheque, and is usually cashed by the seaman at an accredited marine store dealer's in exchange for goods, and the balance of cash. After the steamer has sailed, the advance note is presented at the offices of the shipping company for payment, and payment is made—but only provided the seaman has reported for duty and sailed with the vessel.

The seaman has a maritime lien on the ship for the payment of wages. This lien, however, does not extend to the cargo.

If a seaman deserts then he immediately forfeits his wages, and any effects that he may leave on board may be sold. All cases of desertion must be entered in the ship's log.

Expenses by way of hospital or medical attention incurred by the seamen are payable by the owners of the ship without deduction from the wages of the seamen.

The engagement of the crew terminates if the vessel is sold. As will be seen from Chapter XV, when an owner sells a vessel he has no right to transfer the crew, and must therefore terminate the agreement. The crew have the option usually of signing fresh articles with the new owners.

Where a vessel becomes a wreck or is disabled and unable to proceed upon her voyage, then the owners of the ship may claim the cancellation of the agreement by reason of the fact that the voyage is frustrated, and it is impossible to fulfil or continue it.

In the event of a sudden cancellation of the voyage through wreck or other termination of the adventure, the seaman is entitled to claim compensation by way of payment of wages for a period of two months, provided that during that period he has not become otherwise employed.

When a seaman becomes what is known as a distressed seaman he is entitled to repatriation. He may become distressed by being wrecked, or left behind in the case of illness, or, within certain regulations, if he deserts. All distressed seamen may claim return to proper return ports at the expense of the owner in whose employ they become distressed.

A simple example of repatriation is if a seaman is signed on in the United Kingdom and discharged in a foreign country, he is entitled to be returned (or repatriated) to the United Kingdom.

In the case of Lascars, these must always be returned to India, and may never be discharged in any other country than their own. Lascar crews are under the control of a Serang, who is responsible for their behaviour.

The cost of repatriation includes maintenance whilst

waiting for the ship upon which they are to be returned, and proper accommodation and maintenance on board ship.

Masters of all British vessels are bound to accept on board their ships on request, distressed seamen at the rate of one man to every 50 tons burden, and also to provide suitable accommodation for each of them. Seamen being repatriated are not allowed to work in any way for the master who is returning them, and if they undertake any duty on the homeward ship they must be signed on the articles, and the repatriation charges immediately cease to be for account of the original owner.

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## CHAPTER XIII

### THE SHIP

THE history of the world shows us that as far back as it is possible to trace, there has always been shipping in some shape or form, and whilst many of these old records may be of little value, there is no doubt whatever that merchants owned ships and traded in regular routes some thousands of years ago.

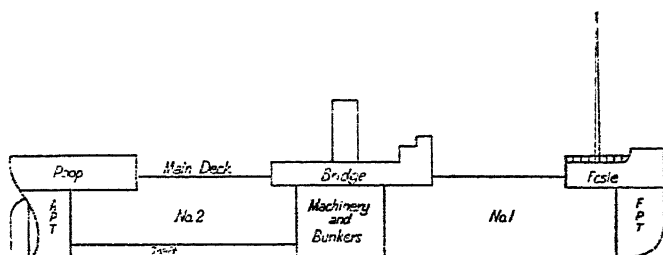
Reference is made in Chapter 27 of the Acts of the Apostles to the vessel upon which Paul made his journey to Rome, and it states there were two hundred and seventy-six persons on board the vessel, including crew and passengers. From this reference it will be easy to obtain some idea of the size of the vessels which as long ago as that were carrying out a passenger trade in the Eastern Mediterranean.

For an earlier reference to the beginning of this vast mercantile marine, we have, of course, the savage who was reputed to have noticed skins of dead animals and logs floating down the river, and to have discovered the value of transport by sitting upon these moving objects, then when standing he found that the pressure of the wind increased his speed, which produced the origination of the sail. This all, however, is a matter of great supposition.

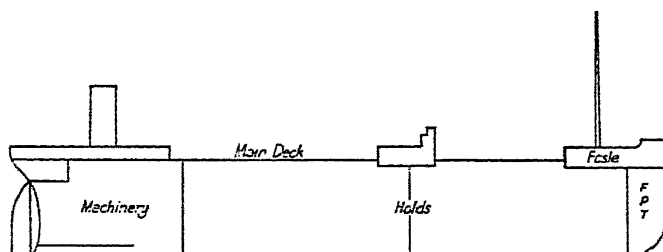
We find, however, records of early ships, and these may be divided into sections, as Egyptian ships, which were propelled by a large paddle at the rear of the vessel; Phœnician ships, which were equipped with both oars and rudder; and the Greek and Roman fleets with their war-like vessels equipped with fighting gear and built-in rams.

When these early vessels were engaged in warfare which meant hand to hand fighting, it was discovered that by raising the ends of the ship, platforms could be built and used as castles or towers, from which vantage points large portions of rock could be hurled with ease into the enemy vessel. This gave the early start of the castle type steamers.

It was not, however, until the sixteenth century that the three-master became known, and it was also about this period that the two-decker ship came into use; also, by the ingenuity of the fighting men, the cannon was introduced to the sea, and this meant building a heavy platform upon which these guns might rest, with the result that in a short time the two-decker ship was built and generally adopted,



(1)



(2)

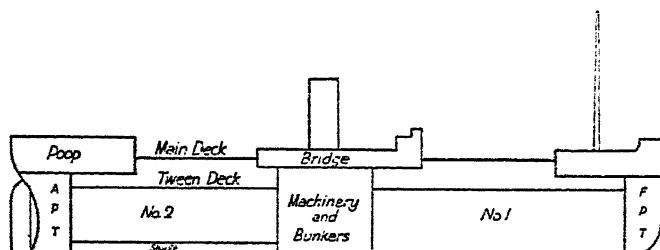
the top deck bearing the battery or cannon, and the under deck holding the rowers or oarsmen.

In this chapter it is intended to deal only very lightly with the origin and types of steamers, and certainly not to cover any technical points with regard to construction or propulsion.

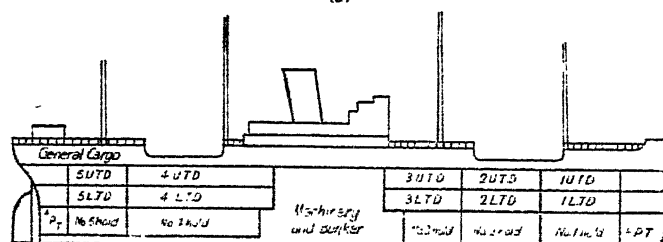
From the wood ship developed the composite type of ship, which consisted of a vessel built of wood on an iron framing. This in due course gave way to the iron ship, which by reason of its great solidity is still in existence, a number of this type of vessel still being classified in Lloyd's Register.

From the iron ships a move was made to steel vessels, which proved to be equally as strong and by no means as heavy or as thick as the iron type.

In dealing with the different types of steamers, there is the single decker, or sometimes known as self trimming steamer, which is constructed with one-depth holds only, division being made by bulkheads throughout the length



(3)



(4)

of the ship. This type of vessel, two examples of which are illustrated at page 79, is very useful in trades for the carriage of bulk cargoes.

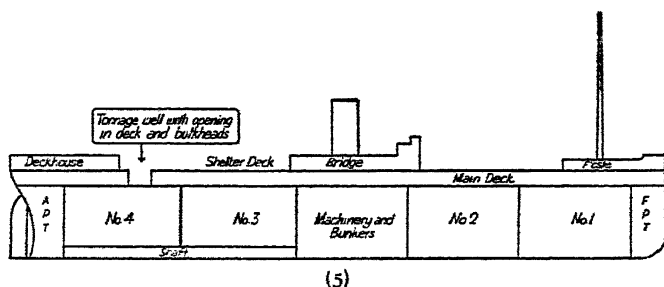
The 'tween deck steamer or two decker provides more under-deck space for cargo and has an additional deck built under the main deck. This type of vessel, a sketch of which is shown above (No. 3), is used for cargoes of a heavyweight nature, or for cargoes of small cube.

'Tween decks may be divided into upper and lower 'tween decks as shown in the sketch No. 4.

In shelter deck steamers we have an additional deck superimposed upon the main deck of the vessel, as may be

seen by the sketch below, but in order to exclude this deck from calculation of nett tonnage when no cargo is carried in it, it has a tonnage well usually placed aft with an opening in the deck and in the tonnage well bulkheads known as tonnage openings. These openings must be in conformity with the Ministry of Transport requirements. These steamers are used for measurement cargoes and mixed cargoes, allowing plenty of under deck space in which goods may be sorted, divided, and kept separate.

Further decks or "islands" are usually incorporated in shelter deck steamers, these deck spaces being called



poop, bridge, forecastle, and 'tween decks, giving a further increase of under deck space. The flush deck type is really a single or 'tween deck ship with the poop, bridge and forecastle combined in a continuous superstructure.

Coastal steamers are single deck, and usually single hold steamers with the engines built aft, providing the largest possible hatch openings in the smallest available space. These vessels are only used for coastal trades, and near continental ports.

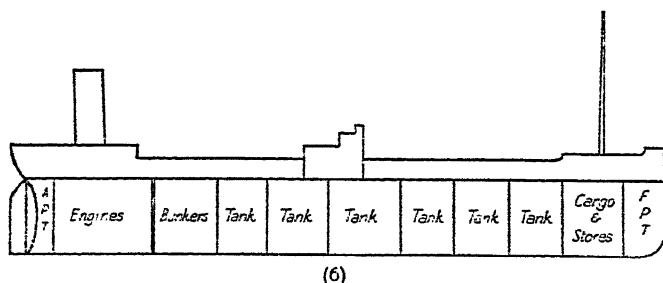
It is to be noted that the type of ship to be adopted is determined by the following—

1. The trade in which a vessel is to be engaged.
2. The question of draught, together with tonnage, so that at times the deepest draught can be obtained, and at other times, when draught is unimportant, there is a maximum cargo capacity.



The tanker is a vessel built specially for the carriage of oil in bulk, molasses in bulk, and cargoes of a similar nature. Instead of the usual holds these vessels are fitted out with tanks for the direct reception of cargo, as may be seen in the sketch below.

Refrigerator vessels are vessels used for the carriage of frozen and/or chilled cargoes, such as fruit, meat, etc., and have certain or all of their holds insulated, usually with granulated cork, and equipped with refrigeration plant. Vessels with small refrigeration apparatus which is only



used when perishable cargo is offered must not be confused with or termed refrigerator vessels.

The subject of the engines of a ship is beyond the scope of this book, and it is sufficient to mention that propulsion of ships is either by means of steam (this being generated by burning coal or oil under boilers) or by internal oil combustion engines. Ships with this latter type of engine are known as motor vessels, and are on the increase. Owners of existing coal burning steam vessels convert their ships to oil burning for many reasons, chief among which are the decrease of bunker space, and the increase of cargo space, cleanliness in bunkering, and the time saved in this operation. World supply conditions, and the shortage of oil, or a heavy increase in price might reverse the position.

When a steamer is bunkering as a coal burner, considerable coal dust is left over the ship, which means that time is lost in clearing and cleansing, and that bunkering cannot

be carried out with ease at the same time as loading and discharge. By means of a hose or pipe connected with the oil tanks, in the case of an oil burner, bunkering can be done without any inconvenience of dirt, and the full operations of loading or discharge may be carried out in an uninterrupted fashion while bunkering is in progress.

The chief centres of shipbuilding in the United Kingdom are the Clyde, Tyne, Mersey, Tees, Wear, and Belfast. The British shipbuilding centres produce much of the world's tonnage per year, although such countries as Sweden, Holland, Denmark, the United States, Germany, Japan, and Russia are interested in this trade, and produced annually a large number of ships.

For a vessel to start trading she must be seaworthy and fit. It is the master's duty to provide a steamer that is "tight, staunch and fit in every way for the voyage in prospect." A ship need not be registered or classified with the societies such as Lloyd's Register, Bureau Veritas, or the American Bureau, although the advantages of registration and classification are many.

In addition the vessel may be unseaworthy apart from build, etc., if she is under-manned, under-equipped, or not fit for the carriage of cargo.

Owing to the agitation of Samuel Plimsoll, who entered Parliament in 1868, the Government introduced in 1870 a bill upon the subject of load lines. This bill was withdrawn, and in 1871 an Act was passed dealing with defective vessels. In 1873 a Royal Commission was appointed with the result that an Act was passed in the same year. Another Act was passed in 1875 upon the subject, and again repealed in 1876 by another Act. Finally, in 1890, an Act was passed, making it compulsory for all British vessels over 80 tons net register, with the exception of coastal boats and fishing boats, to have a line painted on the side of the vessel, and the vessel is not allowed to load more than will sink the ship to this mark. These provisions, it may be observed, were contained in Sect. 438 of the Merchant Shipping Act, 1894, which was subsequently still further adjusted by the

# Merchant Shipping (Safety and Loadline Conventions) Act of 1932.

The marking of the load line was a preventive measure whereby a carrier was not allowed to endanger the lives and property on board by overloading his vessel. The necessity for the step has been emphasized over and over again, when on loss of a vessel and loss of life it has been proved that these regulations have not been carried out.

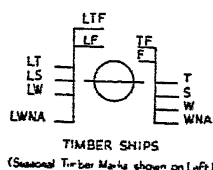
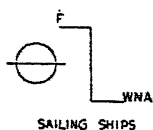
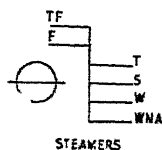
Under the 1932 Act all ships had to be remeasured, and the new loadline was allotted so that all vessels came under the new ruling as from January, 1933.

Sect. 10 of the Merchant Shipping Act, 1906, relating to timber has been withdrawn and all ships carrying a deck load of timber have a special timber marking allotted to them. So long as the seasonal timber marking is not submerged, there is no limit to the quantity of deck cargo, with the exception that in winter time the height of deck cargo must not exceed one-third of the breadth of the ship.

The seasons to which the markings apply are Tropical (T), Summer (S), Winter (W), and Winter North Atlantic (WNA). Some zones of the world are marked as seasonal, i.e. varying at times between winter and summer or tropical and summer. The world has been mapped off into sections showing where these seasons apply and the map is published under Board of Trade Rules and Orders No. 96 (Loadlines).

All ships must be loaded so that in every zone through which they pass the corresponding seasonal loadline must not be submerged and in some cases where voyages traverse two or three zones it is interesting to study which marking will apply.

The markings are as follows—



A loadline certificate is issued at the time of the assignment and must be presented at times of clearance at customs. The granting of a certificate is conditional upon the ship undergoing periodical survey.

Freeboard is the distance measured amidship from the load line to the freeboard deck of a vessel (maindeck in single or 'tween deck vessels, and shelter deck in shelter deck vessels). The penalties for overloading are severe. The master has full authority to see that his marks are not submerged, and through neglecting to observe this precaution may lose his "ticket," which is the worst possible punishment any master may receive.

If, for example, it was agreed to load a vessel, and on the stipulated amount of tonnage being placed on board the vessel the master found that his marks were submerged, he would have full authority, irrespective of the charter-party conditions, to demand that sufficient cargo should be taken off his vessel to comply with the load line regulations.

For a mercantile ton, or freight ton, the basis is 40 cubic feet per ton, but in measuring tonnage of ships the basis is 100 cubic feet. In naval vessels tonnage is calculated on the displacement or actual weight of the vessel.

Gross tonnage is the number of tons in units of 100 cubic feet of the total space enclosed in the vessel. Net tonnage is the measurement of the ship in units of 100 cubic feet of the enclosed spaces of the ship, excluding such spaces as are used for machinery, ship's stores and crew space; in other words, spaces allocated for the navigation of the ship are deducted, the approximate ratio of gross to net tonnage being about  $3/2$ , although this, of course, must vary in individual cases.

Under deck tonnage is the measurement of the ship in units of 100 cubic feet of all parts under the main or tonnage deck of the vessel; this measurement does not, as in gross tonnage, include the poop, bridge, forecastle, or shelter decks and deck houses.

Vessels' dead weight is the number of tons measured by

2,240 lb.) required to sink the vessel in the water to her load line. The dead weight includes cargo, bunkers and stores.

Deadweight cargo capacity is the weight available for cargo after all other allowances have been made.

*Displacement* is the total weight of a vessel in tons of 2,240 lb. The displacement less the dead weight is the light weight of the ship.

Other points of the ship will be dealt with in Chapter XIV.

It should be remembered that the whole of the rules and regulations for life-saving apparatus, regarding life-belts, life-boats, etc., are under the control of the Ministry of Transport, and this important section of the ship's equipment is dealt with and inspected entirely by that Government body.

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## CHAPTER XIV

### LLOYD'S REGISTER OF SHIPPING

LLOYD'S Register of Shipping, which united with the British Corporation Register in 1949, is a voluntary association of shipowners, shipbuilders and underwriters which exists primarily for the purpose of surveying and classifying ships of any nationality and disseminating this information through the medium of the annual publication of Lloyd's Register Book, which contains in addition to details of classed ships particulars of *all* seagoing vessels of 100 tons and upwards. There are other classification societies also operating with like purpose, e.g. the Bureau Veritas and the American Bureau of Shipping, but as Lloyd's Register classifies 95 per cent of British tonnage and over 42 per cent of the world's tonnage, it is proposed in this chapter to deal only with the work of that institution.

Its foundations, like those of the great Marine Insurance Corporation of Lloyd's, were laid in Lloyd's Coffee-house, which was situated in Tower Street in 1688 and afterwards moved to Lombard Street. Here the proprietor, Mr. Edward Lloyd, finding his establishment much frequented by underwriters, catered for his clients by collecting and publishing such information as was available regarding the ships they might be called upon to insure; and there is little doubt that the old Underwriters' Registry which was founded in 1760 emerged from this source.

The oldest copy of a Register of Shipping—as far as can be ascertained—is one which is in the possession of Lloyd's Register of Shipping, and bears the date 1764-65-66, for which period it was evidently current. This book was the "Underwriters' Register" or "Green Book," the letters A E I O U being employed for designating the several classes, whilst the letters G, M, and B (good, middling, and bad), described the condition of the equipment.

In the 1775-76 edition there first appeared the now

familiar class "A1," which has passed into everyday language as symbolic of excellence.

Towards the end of the eighteenth century, the shipowners, dissatisfied with an alteration in the method of classification in the Green Book, started their own Register, which was known as the "Shipowners' Register" or "Red Book." In almost everything but name the new Register was a replica of the old, and for over thirty years intense rivalry was maintained, greatly to the detriment of the Registries, which fell into disrepute. Funds dwindled to vanishing point as subscribers fell away, and in 1833 the Committee of Lloyd's, fearing that the shipping community might be left without a Register at all, sought the basis of an agreement for amalgamation. A provisional committee was formed for the purpose, drawn from representatives of Lloyd's and the London General Shipowners' Society, from whose deliberations emerged a re-constituted Society to be known as Lloyd's Register of British and Foreign Shipping.

Now, for the first time, was the survey and classification of shipping placed on a sound basis. Well-qualified surveyors were appointed at most of the principal ports in the United Kingdom under a Committee of Management in London drawn from elected representatives of the underwriters at Lloyd's, shipowning members of the London General Shipowners' Society, and merchants; the income of the re-constituted Society was safeguarded by the application of approved scales of fees for surveys payable by owners seeking classification, and the Register Book was made public and more easily accessible to all by a sweeping reduction in its price.

Rules and regulations governing the construction and maintenance of shipping were laid down and afterwards added to with each new development of marine transport and propulsion; and at the present day the rules of the Society are universally recognized as the standard of best practice in naval architecture and marine engineering. From wood to iron, iron to steel, sail to steam, and steam

to motor, Lloyd's Register has served as a clearing house of experience in the formulation of new rules and has through the past century grown from a London Register, first to a National Register, and afterwards to an International Register.

It cannot be too clearly emphasized, however, that Lloyd's Register of Shipping and the Corporation of Lloyd's are quite distinct bodies, and the Surveyors to Lloyd's Register should not be confused with "Lloyd's Agents," who are the representatives of the Corporation of Lloyd's.

The Society's Register Book now contains the name and particulars of over 33,000 vessels, and the following is a description of its present contents, which are in constant reference by underwriters as to the vessels they may be called upon to cover, and by shipowners and shippers in verifying particulars of ships offered for sale, charter or use.

Many of the Register Books are collected and kept up to date by weekly postings of alterations and additions, and it is interesting to note that this practice is peculiar to Lloyd's Register Book and has been maintained without interruption since 1775.

In 1955 the layout and content of the Register Book were completely rearranged and the greater part re-set in modern type. Two-colour printing (black and red) was discontinued and survey records of all classed ships were shown only in cumulative monthly Supplements, which also gave particulars, as previously, of alterations in name, ownership, flag, tonnage, etc., for all ships, whether classed with the Society or not.

In its revised form the Register Book consists of Volume 1 (Register of Ships) which—in addition to the names of the members of the various committees and sub-committees of the Society, a list of its offices and surveyors throughout the world, and a key to the abbreviations used in the book—contains full particulars concerning ships classed with Lloyd's Register and the British Corporation Register; also particulars of all known seagoing merchant ships in the world, and of all iron and steel ships trading on the North



American Lakes, of 100 tons gross and upwards. The Register is kept up to date by means of the cumulative monthly Supplements referred to in the preceding paragraph. Each Supplement is accompanied by particulars of new entries to the Register, i.e. new ships and ships whose names have been changed.

In the rearrangement mentioned, certain information of a technical character formerly in the main Register Book was transferred to the Appendix, which was styled Volume II (Appendix). This now comprises (if the information is supplied by the owners or is otherwise available) particulars of structural details, capacities, etc., for dry-cargo ships, tankers, and ships carrying refrigerated cargo; lists of changes of ship's names and compound names; ships arranged by nationalities in tonnage divisions; shipbuilders, with existing ships they have built; marine-engine builders and boilermakers; dry and wet docks; telegraphic addresses and codes used by shipping firms; and list of marine insurance companies. Volume III (Shipowners) contains a list of owners and managers of ships recorded in the Register with their fleets.

A brief description of the particulars found in the Register will be of interest. Reference to the specimen page should make the following points clear—

#### COLUMN (1)

*No. in Book.* Inserted for index and reference purposes, and may also be used for cabling purposes.

*Official No. of the Ship's Register.* This number is allotted by and recorded on the Official Register of the country to which a vessel belongs. In the United Kingdom official numbers are allotted by the Registrar-General of Shipping and Seamen.

*Call Sign.* This is assigned to ships for identification purposes and consists of a combination of letters or, in some cases, letters and numerals.

*M.o.T. Cert. (Ministry of Transport Certificate).* This is issued by the Ministry of Transport for British and certain

foreign ships carrying over twelve passengers and is valid until the date stated.

#### COLUMN (2)

*Vessel's Name.* Here is the name of the vessel, and immediately underneath is found any other name she may have had previously (since 1932 the date of such change is also shown), thus giving a continuous history of the ship.

*Navigational Aids.* Particulars are given of any navigational aids with which the ship is fitted. The abbreviations used (e.g. Rdr for "radar") are self-explanatory and are explained in the "Key to the Register of Ships" at the commencement of Volume 1.

#### COLUMN (3)

Contains particulars of the ship's gross and net tonnage (as ascertained from her official register) and her summer deadweight as furnished by the owners.

#### COLUMN (4)

Contains the name of the registered owner(s) of the ship. This, may be—as is often the case—the name of the managing owner. Also shown in this column are the managers (if any), flag, and port of registry. The port of registry may be any port at which the owners may desire to register their vessel, and the flag shows the nationality of the ship.

#### COLUMN (5)

Contains classification particulars. Classification may be well described as the comparison with an ideal standard. The class 100 A1 is defined in the Rules of Lloyd's Register in the following words—

This character will be assigned to all seagoing ships built in accordance with, or by standards equivalent to, the Society's Rules and Regulations and the scantlings, arrangements and equipment given in the Construction Rules for the draught required.

The equivalent British Corporation class, recorded in the Register Book since the unification of the two Societies in 1949, is BS.

The black cross (⚡) preceding the 100 A1 notation and the asterisk (\*) following the BS notation indicate that the entire construction of the ship was under the inspection of the Society's surveyors.

The figure "1" indicates that her equipment of anchors, cables, etc., is in good and efficient condition.

Ships are also classed for special or restricted service, shown in the Register by a class notation under the character of class, and in these cases the structure and arrangements are subject to special approval.

The hull and machinery classifications are interdependent, the latter being shown as LMC for Lloyd's Register ships and MBS for British Corporation ships. The addition of a cross (⚡) or asterisk (\*) respectively, means that the engines and boilers were constructed under the inspection of the Society's surveyors.

The notation "Lloyd's RMC" (or "RMC" in the case of classification with the British Corporation) indicates that the ship holds a Refrigerating Machinery Certificate issued by the Society and that details of the classification and refrigerating installation are in Volume II of the Register Book.

Classification with another society is denoted in this column by the insertion of the initials of the society in question. For example, "NV" signifies classification with the Norske Veritas.

In classed vessels will also be found the last dates of Special Periodical Surveys prescribed by the Society's rules—

s.s.	1/31	Special Survey
		Jan., 1931
(Dr)	1/31	Special Survey
		Jan., 1931 (at which time the deck and shell plating has been drilled)

These surveys become due at intervals of four years and are the main inspections of ship for the maintenance of class.

Some mention should be made here as to the withdrawal or expunging of a vessel's class. If an owner requests that

his ship be withdrawn from class when no survey is overdue and there are no known defects, particulars of the class are removed and a note is inserted in the Register and Supplements.

When the rules as regards surveys on the hull, machinery, or equipment have not been complied with, the class may be expunged by the Committee, and a note to this effect indicating the reason and date of the decision is made in the Register and Supplements.

The class may also be expunged when a ship is reported to have serious defects which the owners take no steps efficiently to repair, and similar action to record this fact is taken.

When a ship sails with less freeboard than that approved, or where the freeboard marks are placed higher than the position assigned by the Committee, her class is liable to be expunged from the Register.

In the case of a ship being sunk, wrecked, or lost, the class is deleted and a notation as to the cause of the casualty is inserted against her name.

#### COLUMN (6)

This shows, *inter alia*, the number of screwshafts (if more than one), the type of propulsion (e.g. steam, motor, diesel-electric), and type of ship (tanker, tug, trawler, etc.). The shipbuilders, together with date and place of build, are also stated, and a note is given of any special features of construction and design or subsequent alterations, such as the employment of electric welding in construction, lengthening, or strengthening for navigation in ice. The number of decks is also given and the overall length, extreme breadth, and summer draught.

The notation "NS" (no sparring), also appears in this column against some vessels classed with the Society. This term shows that the vessel is not fitted with cargo battens, and therefore the liability for cargo to become damaged by contact with the ship's sides is greater. The point is of interest to shippers.

## COLUMN (7)

In this column full particulars are given of the engines and boilers. For the purpose of this volume it is only necessary to draw attention to the notations "C," "T," and "Q" which classify the engines into "compound," "triple," or "quadruple" expansion engines in the case of steamers.

The notations "Oil Engines," "Turbines," "Steam turbines connected to Electric Motors and Screwshafts" (Turbo-electric), "Oil Engines connected to Electric Motors and Screwshafts" (Diesel-electric) and "Steam turbines SR geared to 2 sc. shafts" are self-explanatory.

The record "Spt" immediately after the number and description of the main boilers, e.g. "3SB Spt," indicates that the main boilers are equipped with superheaters.

The letters "OF" denote that a ship's boilers are fitted for burning oil fuel, but does not imply that they are actually running on such fuel. In the case of classed vessels a note of the date of fitting the oil-burning installation is added.

Other abbreviations which can appear in this and other columns, but which are not specifically mentioned in these notes, are clearly explained in the Key to the Register.

As regards the principal periodical surveys required for class maintenance, in addition to the four-yearly Special Surveys already referred to (the requirements for which become progressively more severe as the ship's age increases) the boilers and/or donkey boilers of a ship are required to be submitted to annual survey by the Society's surveyors, but in the case of "Scotch" (e.i. non-watertube) boilers this is not required until six years have elapsed from the date of build. (*N.B.* The boilers, together with the main and auxiliary machinery, are examined as part of every four-yearly Special Survey unless seen within the preceding twelve months.) Screwshafts fitted with continuous liners or with oil glands become due for survey at intervals of three years (four years in the case of ships fitted with two or more screwshafts). Shafts not fitted with these appliances are required to be surveyed every two years. A survey of

the main and auxiliary steampipes becomes due at intervals of six years.

The unification of the British Corporation Rules with those of Lloyd's Register was completed in 1954, since when the appropriate requirements of current Rules and Regulations relating to Classification and Periodical Surveys have been applicable to existing ships holding either classification. Unified Rules for new construction are also now operative.

## CHAPTER XV

### OWNERSHIP, SALE AND PURCHASE OF VESSELS

THE persons who are entitled to own a British ship are British born subjects carrying on business in British countries, naturalized subjects who carry out their business in British countries, and corporate bodies whose principal place of business is the United Kingdom or a British Dominion.

A British ship is a vessel flying the British flag, and in passing, a brief outline of the "Law of the Flag" may assist the reader. Under the law of the flag a vessel becomes part of the country whose flag she is flying, and the conduct of the affairs on board is governed by the laws of that country. When, however, a vessel enters the waters of a foreign power she is bound to conform to the laws of the country in whose waters she is.

The members of the crew are subject to the laws of the country under whose flag the ship is sailing, and are not in any way controlled by the laws of the country of which they are subjects.

The ownership of a vessel is divided by ancient custom into sixty-fourths, a division which is recognized in law by its inclusion in Sect. 5 of the Merchant Shipping Act, 1894.

A vessel may not be registered in more than 64 names, and where a limited company is an owner it is registered under its corporate name and not the names of its individual shareholders.

All ships must be registered, excluding small vessels of under fifteen tons burden employed in river or coastal trade, or ships under thirty tons burden employed for fishing or trading on the shores of Newfoundland.

Before being registered every ship must have its name marked upon the bows, its name and port of registry on the

stern, and the official number of the ship and registered tonnage cut in the main beam of the ship in a permanent manner. In the case of wood vessels this is burnt into the beam, whilst with steel ships these particulars are punched in the beam.

Where the main beam is not accessible, the number is cut into the forward hatch coaming.

Upon the stem and stern post a scale of feet denoting the draught of the vessel must be marked. A penalty for misleading marking makes the owners liable to a fine not exceeding £100.

In the case of new vessels the ship must be surveyed, and a certificate of survey produced giving full identification of the vessel, together with a builder's certificate giving particulars of the ship and the persons entitled to be registered as owners.

The owner then gives a declaration of his right to become an owner and his qualification, place of building of the ship, the name of the master, and a statement that no unqualified person is holding a share in the ship. A company or corporate body makes this declaration through its secretary by document under seal.

At the same time the ship's husband is registered. He is the person who accepts individual liability for the obligations of the owner and is personally answerable to the Courts.

Registration of the ship is made at the port by the Principal Officer of Customs, who enters into the register book the name of the ship and port of registry, details of the ship and particulars of ownership. The registrar retains the surveyor's certificate, carving note, builder's certificate, and bill of sale. The registrar then issues a *Certificate of Registry* (known as the *ship's register*), which is only a document of registration for use in the navigation of the ship.

Change of ownership, or change of master, must be endorsed upon the ship's register, and in the event of the ship becoming lost, taken by an enemy, or ceasing to be a British vessel, the certificate of registry must be given up.



At any time when change of ownership of a vessel occurs, a bill of sale is made out even if no money passes. The Bill of Sale Act, 1882, *does not apply to the sale of ships*. The bill of sale and declaration of transfer is produced to the registrar, who records the particulars of this transaction in the register book, and endorses the certificate of registry accordingly.

It is usual when a ship is sold for the vessel to be dry docked for hull inspection, and if after such an inspection the report is not favourable, or the purchaser is not satisfied, the expenses of such a survey are for account of the vendor. Should, however, the survey prove satisfactory then a deposit of 10 per cent is made, and the balance of purchase money paid over on completion.

On sale or loss of the ship, the official log is returned to the superintendent at Port of Registry.

When signing articles, the crew make the contract with the master as agent for the owners, and such contract must be considered apart from ownership of the vessel. If the ownership changes, the original owner ceasing to run his vessel, then the terms of employment are changed and the crew may claim immediate repatriation. See also notes in Chapter XII. The crew have the option upon the transfer of ownership of a vessel of requesting their discharge with full repatriation, or of signing fresh articles with the new owners.

In the majority of cases the crews are agreeable to sign fresh articles, but owners have no control over this action, and must if the men desire arrange for their return by repatriation.

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## CHAPTER XVI

### SHIP'S PAPERS AND PROCEDURE OF SHIPS ENTERING AND LEAVING PORT

A SHIP must carry the following papers, and the master must, if required, produce them to any customs officers, Ministry of Transport officers, Mercantile Marine Superintendent, officer of H.M. Navy, or consul—

- (a) Bill of health or pratique.
- (b) Certificate of registry (or ship's register).
- (c) Ship's articles.
- (d) Manifest.
- (e) Charter-party or bills of lading.
- (f) Official log.
- (g) List of dutiable stores (not available unless in port).
- (h) Loadline Certificate.
- (i) Wireless Installation Inspection Certificate.

The *bill of health* is a certificate which states that the health of the vessel or every person on board is in good condition, free from contagious diseases, there being no reason why the vessel should not enter the port.

Or, a bill of health may certify that the port from which the ship has arrived was "clean" and free from disease when the vessel left.

The certificate of registry has been referred to in a previous chapter. This document must always be carried on board.

The *ship's articles* contain a description of the crew and the capacity in which each member serves, length of voyage, amount of wages, time of commencement of voyage, and scale of provisions. This is the agreement between the master and his crew, and must be referred to when signing on or signing off the crew.

The *manifest* is the list of cargo on board the ship, and gives the full particulars of contents, marks, shippers and receivers. This is often described as an "inventory" of all cargo on board.

Whilst charter-parties or bills of lading, under which the cargo is being carried, are included in this list it should be remembered that in many cases steamers leave a port without the manifest or bills of lading on board. It is often found convenient to send these papers to the port of destination of ship by a following steamer, which arrives earlier, or by air mail. This procedure gives the shipping office (at port of loading) additional time for the preparation of documents, and the documents are received at port of destination some few days prior to the vessel's arrival, providing a saving of time at both ports. As the manifest or bills of lading are only required at port of destination no objections are raised if the vessel does not carry such documents provided they are received at port of discharge before or at time of arrival of the steamer.

Official logs must be kept on every ship in the approved form of the Ministry of Transport. All entries made in these books must be made as soon as possible after an occurrence, and signed by the master and mate, or other member of the crew. Entries referring to illness must be signed by the ship's surgeon (if one is employed on board); entries regarding wages must be signed by the master, mate, and some member of the crew.

All entries in official log books are admissible as evidence in any proceedings in a court of justice.

Entries in the official log book consist of all records of crew's conduct, wages, fines, any births, marriages, or deaths. Happenings in regard to the procedure of the ship are entered on the ship's log.

A list of dutiable stores is carried on board for customs purposes. This is made up by the Customs Officer on boarding the ship.

On arrival at the port of destination, the master presents the bill of health to the medical officer of the port, who after satisfying himself that there is no objection to the ship—on the ground of health—passes it in as "clean."

The Rummaging Officer or Customs Preventative Officer comes on board and compares the list of stores with the

amount in the ship's pantry. If in agreement, these stores are sealed and remain so sealed whilst in port. He then searches the ship, seeking contraband as a preventive measure against smuggling.

The master applies to the pilot to bring the ship to the dock or berth.

If the ship is in ballast and coming inwards a Custom House Report is needed. If the ship is with cargo, there is, in addition, the report and list of dutiable stores; also—

- |                       |                  |
|-----------------------|------------------|
| 1. Register           | 4. Tonnage slip  |
| 2. Stores list        | 5. Pilotage slip |
| 3. Lights certificate | 6. Pratique      |

Every ship must produce a light dues receipt either before entering or before leaving the port. No ship is allowed to leave port without the light dues being paid.

*Light dues* are payable at a fee which fluctuates so much per ton, and the money received from this levy assists in the maintenance of all lights, lightships, lighthouses, beacons, etc., around the coast. The lights which are maintained by the Ministry of Transport out of the levies include the Great Basses, Little Basses, and Minnecoy Lights.

The Bahamas Lights, however, are maintained from money voted by Parliament to the Ministry of Transport for this specific purpose.

Every ship, whether laden or in ballast, must report after arrival from any port abroad, or any port in the United Kingdom.

Vessels from foreign ports which put into British ports purely for bunker purposes, provisions, or as a port of refuge, are not required to report unless the vessel remains in port for more than 24 hours from the time of arrival.

Failure on the part of a master to report his ship makes him personally liable for a fine of £100, and all goods which are not reported may be detained.

The time of arrival of a ship is based upon the time when a vessel is an arrived ship in or off the berth or dock.

When a ship arrives or is expected to arrive out of legal

hours for reporting, the Collector of Customs may on receiving a request in writing, allow bulk to be broken, prior to report being lodged. This permission, however, does not relieve the ship from its responsibility of reporting within the stipulated period of 24 hours.

In the case of a steamer sailing outwards, the procedure is reversed. The master must obtain a shipping bill for stores, and present to the Custom House a report of the cargo he is carrying outwards within six days.

He must also produce the light dues receipt, and his clean bill of health before the clearance is obtained.

The master must on entry, but not clearance, attend the Customs House in person and produce his papers, which include the ship's register.

The documents required for *Clearance* are—

Register	Victualling bill
Load line certificate	Master's declaration
Wireless certificate	Pilotage receipt
Light bill	

For *coastwise without stores*—

Jerque note

Application is then made to the pilot to see the ship clear from the waters of the port.

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## CHAPTER XVII

### VOYAGE ESTIMATES

THIS chapter is not intended to deal with the operation of accountancy in relation to the records kept for every voyage that a ship may make, but only to make reference to the estimating for fixing purposes.

In the case of ordinary berth shipments, where a vessel loads whatever cargo may be offered to her, at the rates which are agreed by the various Conferences, there is no necessity for an estimated voyage account.

When an owner has an opportunity to quote for a fixture, he must know what figure he is to offer the broker in order to secure a profit, and an estimation of his proposed earnings and expenses is made.

The estimated expenses are ascertained, and the division of this amount by the number of tons of cargo to be carried results in the cost per ton of transportation. To this amount is added the profit desired, and the rate of freight for quotation purposes is found.

If the fixings are calling for a higher rate, then his percentage of profit is increased. If, however, rates are low, then he knows at what rate he may quote in order to clear his expenses and also avoid a loss.

It is sometimes to the advantage of an owner in times of depression to secure a cargo at a rate which will produce a small loss, for although out of pocket to the extent of his financial loss he has retained a hold of trade, and does not incur expense in laying up his vessel. Charges for laying up are variable, and an owner who wishes to lay a steamer up for a period of time naturally finds accommodation at the cheapest places.

A vessel laid up tends to deteriorate at a far quicker rate than when it is actually operating.

It is often found that in times of bad trade a new vessel is built and immediately laid up. This is accounted for by

the fact that during times of depression building rates tend to be lower than in times of boom, and enterprising owners quick to take advantage of a reduction in building costs give orders for new vessels to replace old ones which they may sell, and thus, following the axiom that boom follows depression, are equipped with a new vessel in readiness for the time when the return of trade is an acknowledged fact.

Whilst dealing with this point it may be observed that the very controversial matter of scrapping or selling vessels when they are replaced has been the topic from time to time of many discussions in the shipping world. An owner when he disposes of old tonnage has the alternative of having it sold as scrap to the shipyards for a few thousand pounds or receiving a considerably higher figure by sale to foreign owners. This increase of income is offset by the fact that the foreign owner is often quick to use his newly acquired vessel in opposition to the very owner from whom he purchased her. If, however, a British owner provides sufficiently for depreciation in his accounts, there is no reason why, when a vessel is to be disposed of, she should not secure more than her book value in the money paid for her as scrap. By this method the shareholders of the owning company are at no disadvantage, and the possibility of competition by their old vessels is avoided.

To return however, to the estimation of running expenses, the main items are fuel and maintenance.

The first point is to ascertain how long the vessel will be on her trip. This is arrived at by dividing the total distance by the distance the steamer will travel each day, thus finding the number of days the steamer will be on voyage.

If a steamer is a 10 knot vessel then she should obviously cover 240 miles per day, but actually a vessel never runs to the total of this amount, and it is safer to assume that the nearer estimate would be to multiply the number of knots by 20 rather than by 24 (hours per day). Therefore, estimated travelling capacity of a 10 knot steamer per day would be approximately 200-210 miles per day.

The division of the speed into the total mileage gives the

time occupied. If, for example, the vessel is proceeding from Cardiff to Rio (5,035 miles) the time occupied would be approximately 24-25 days.

Secondly, the master has now to provide bunkers for a 25 day trip, assuming that he will re-bunker at port of destination.

The amount of fuel burned by a steamer per day differs according to the type of vessel; for a vessel of 10,000 tons the figure may be taken here to be 25 tons per day. This makes the total fuel burned 625 tons. Allowing a safety margin of 5 days, 750 tons could be bunkered for this trip. Provision must be made for delay due to stress of weather, and other unforeseen circumstances, and an allowance of 5-6 tons per day for lying to in port must also be made.

A third point that has to be considered is the question of expense in connection with Port Charges, Cargo Charges, and Maintenance or Running Costs.

It is as well to remember that the main *Port Charge* is usually either *dock dues*, *river dues* or *harbour dues*, according to the port visited, and in most ports of the world such dues are usually based on the net registered tonnage (N.R.T.) of the vessel, that is to say, so much per N.R.T.

In U.K. ports the vessel will have to pay *light dues* also based on N.R.T. and at a great number of ports *pilotage*, and possibly *towage charges* will be incurred, and usually an *agency fee* must be allowed for.

Under *Cargo Charges* will come stevedores' charges for loading or discharging and tallying, but whether these appear on the estimate will depend upon the terms of the C/P, which may provide for free loading and/or discharging.

*Maintenance or Running Costs* will include such items as provisions, deck and engine stores, insurance, wages, allowance for repairs, etc., and the shipowner or broker should know the average daily cost of these items.

Commissions payable must also be calculated in the estimate, and very often an allowance for depreciation is included.



It will readily be appreciated that the foregoing charges will vary considerably, according to the net registered tonnage of the vessel, the value for which she is insured and the number of crew carried, but for a vessel of the size of our example, the average daily running cost would be £200.

No two vessels can be assessed at the same figure, as there is always some small variation which would defeat such "grouping" calculations.

From these particulars the estimated account may be drawn up, and would read as follows—

## VOYAGE ESTIMATE

S/S .....	N.R.T.....	D.W.....	10,000
		Less : Stores	350
		Bunkers	750
			<u>1,100</u>
		Cargo Capacity	<u>8,900</u>

From		FREIGHT			
To		Cardiff to Rio de Janeiro			£
= 38 days		8,900 tons @ 60s.			26,700
Days Steam- ing	Days in Port	DISBURSEMENTS Port Cargo			
25	7	Cardiff . . .	1,600 500	2,100	
	6	Rio de Janeiro.	500 1,500	2,000	
25	13				4,100
		<i>Brokerages and Commissions</i>			1,870
		<i>Fuel</i>			
		25 days @ 25 tons per day 625			
		13 " @ 5 " " " 65			
		<u>690 @</u>		160s.	5,520
		<i>Running Costs</i>			
		38 days @ £200 per day .			7,600
		<i>Estimated Profit @ £20 5s. 3d.</i>			19,090
		<i>per day</i>			<u>£7,610</u>

From these figures it will be seen that the cost of transportation of 8,900 tons of cargo will be £19,090, approximately £2 2s. 11d. per ton. If the charter-party is fixed at the rate of 60s. per ton then the profit will be £7,610.

Allowances must also be made where under particular charter-party terms additional commissions are allowable, and consideration must also be given to individual ports—as to whether loading is fast or slow, any extra time or expenses incurred, also the charges for stevedoring and port charges which again vary in every locality, and whether and to what extent dispatch or demurrage is payable.

It must be remembered that the above estimate is merely by way of illustration and cannot be taken as actual current charges.

Another point which must be considered is the fact that if a vessel is able to carry out her voyage by alternative routes then estimates of such alternatives must be made. For example, a vessel from South Wales to Australian ports would have the option of proceeding via Cape Town, or via Suez, in which case the consideration of extra distance via Cape Town (a matter of about 1,200 miles) would be neutralized by the expenses saved in avoiding the tolls of the Suez Canal.

The possibility of dividing the trip into stages for the purpose of obtaining bunkers is another consideration. If, for example, a vessel is able to call at two intermediate ports for bunker purposes on route then the space or weight allowed for bunkers would automatically be less, and thus if desirable used for cargo purposes. The greater the amount of bunkers loaded on board at the commencement of the voyage the less cargo space or deadweight available, and in many cases where estimates are drawn up for a voyage this point would provide an increased earning capacity for the vessel. Against the increased freight earned, there would have to be offset such additional expenses, if any, of increased cost of bunker charges.

When a vessel has completed her discharge, the owner,

if he has no other engagement in view, or if desirous of returning the ship to her port of loading in ballast, should add such cost of return to the original figures.

It is unnecessary to add that in the example the vessel is assumed to be in position at Cardiff and if this were not so due allowance would have to be made for time and expense of proceeding there from previous discharging port.

The assessment of the business would still not be complete unless due consideration had been given to further employment on completion of discharge at Rio.

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## CHAPTER XVIII

### DISTANCES

THE nautical mile varies from 6,045·93 ft. on the equator to 6,107·98 ft. in lat. 90°, and the length of a mean nautical mile is 6,076·91 ft., whilst the Admiralty measured mile is 6,080 ft.

A *knot* is one nautical mile per hour, and is a measure of speed. A vessel whose speed is 10 knots, covers 10 nautical miles per hour, but the knot is frequently used, although wrongly, to denote a nautical mile.

The following table of distances should be memorized where possible. The inclusion of a greater number of distances in this volume is not possible owing to limitation of space.

#### DISTANCES FROM LONDON

Belfast . . . . .	660	Liverpool . . . . .	640
Bristol . . . . .	520	Manchester . . . . .	680
Cardiff . . . . .	500	Newcastle . . . . .	300
Dundee . . . . .	400	Newport . . . . .	510
Glasgow . . . . .	750	Southampton . . . . .	190
Hull . . . . .	210	Swansea . . . . .	480
Ipswich . . . . .	75		
Aarhus . . . . .	570	Memel . . . . .	825
Archangel . . . . .	2,060	Narvik . . . . .	1,230
Abo . . . . .	995	Pitea . . . . .	1,250
Copenhagen . . . . .	580	Reval . . . . .	1,020
Dantzic . . . . .	790	Riga . . . . .	995
Gefle . . . . .	1,010	Skaw . . . . .	550
Gothenburg . . . . .	590	Stettin . . . . .	630
Keil . . . . .	436	Stockholm . . . . .	900
Libau . . . . .	850	Tornea . . . . .	1,300
Lulea . . . . .	1,260		
Amsterdam . . . . .	185	Hamburg . . . . .	410
Antwerp . . . . .	175	Havre . . . . .	190
Bilbao . . . . .	720	Lisbon . . . . .	1,030
Bordeaux . . . . .	673	Nantes . . . . .	570
Bremen . . . . .	375	Rotterdam . . . . .	160
Brest . . . . .	408	Rouen . . . . .	255
Dunkirk . . . . .	95	Santander . . . . .	690
Gibraltar . . . . .	1,300	Vigo . . . . .	800

DISTANCES FROM LONDON—*contd.*

Alexandria . . . .	3,100	Naples . . . .	2,280
Algiers . . . .	1,720	Piræus . . . .	2,820
Barcelona . . . .	1,840	Port Said . . . .	3,220
Fiume . . . .	2,960	Sfax . . . .	2,260
Leghorn . . . .	2,170	Toulon . . . .	2,000
Malta . . . .	2,290	Tunis . . . .	2,085
Marseilles . . . .	2,000		
Aden . . . .	4,620	Karachi . . . .	6,090
Batavia . . . .	8,520	Mauritius . . . .	6,960
Beira . . . .	7,265	Mozambique . . . .	6,770
Bombay . . . .	6,290	Penang . . . .	7,990
Calcutta . . . .	7,970	Rangoon . . . .	7,980
Colombo . . . .	6,710	Singapore . . . .	8,280
Dar-es-Salaam . . . .	6,360	Zanzibar . . . .	6,380
Amoy . . . .	9,970	Nagasaki . . . .	10,730
Canton . . . .	9,750	Saigon . . . .	8,900
Hong Kong . . . .	9,720	Shanghai . . . .	10,520
Kobe . . . .	11,010	Wei-hai-Wei . . . .	10,840
Macassar . . . .	9,270	Yokohama . . . .	11,235
Manila . . . .	9,670		
Adelaide . . . .	10,720	Melbourne . . . .	11,020
Auckland . . . .	12,670	Newcastle, N.S.W. . . .	11,550
Brisbane . . . .	11,890	Sydney . . . .	11,490
Fremantle . . . .	9,520	Wellington . . . .	12,420
Accra . . . .	3,950	Lagos . . . .	4,240
Durban . . . .	6,990	Mossel Bay . . . .	6,390
Bathurst . . . .	2,630	Natal . . . .	6,990
Cape Town . . . .	6,150	Sierra Leone . . . .	3,010
East London . . . .	6,710	Walvis Bay . . . .	5,530
Inhambane . . . .	7,440		
Ascension . . . .	3,900	Madeira . . . .	1,460
Las Palmas . . . .	1,680	Teneriffe . . . .	1,677
Bahia . . . .	4,500	Magallanes . . . .	7,450
Bahia Blanca . . . .	6,550	Monte Video . . . .	6,210
Buenos Ayres . . . .	6,330	Para . . . .	4,130
Cape Horn . . . .	7,550	Rio de Janeiro . . . .	5,200
Demerara . . . .	4,040	Santos . . . .	5,380
Antigua . . . .	3,630	Havana . . . .	4,310
Barbados . . . .	3,750	St. Lucia . . . .	3,760
Bermuda . . . .	3,040	San Domingo . . . .	3,970
Colon . . . .	4,720	Santiago . . . .	4,150
Baltimore . . . .	3,500	Newport . . . .	3,370
Boston . . . .	3,000	New York . . . .	3,200
Galveston . . . .	5,000	Philadelphia . . . .	2,980
Montreal . . . .	3,140	St. John, N.B. . . .	2,910
New Orleans . . . .	4,810	St. John's, N.F. . . .	2,150
Antofagasta . . . .	6,900	San Diego . . . .	7,735
Iquiqui . . . .	6,770	Valparaiso . . . .	7,380
Mollendo . . . .	6,550		

## CROSS DISTANCES

These distances are shown as a guide to estimating distances from port to port, exclusive of London distances.

Durban	to Adelaide	.	.	.	5,220
Azores	„ Melbourne	.	.	.	11,800
Brisbane	„ New York	.	.	.	9,840
Baltimore	„ Algoa Bay	.	.	.	7,330
Cape Town	„ Colombo	.	.	.	4,350
Gibraltar	„ Gefle	.	.	.	2,240
Havre	„ Dantzig	.	.	.	900
Hong Kong	„ Adelaide	.	.	.	4,700
Lisbon	„ Seville	.	.	.	290
Madeira	„ Wellington	.	.	.	10,290
Mollendo	„ Panama	.	.	.	1,770
New York	„ Cape Town	.	.	.	6,800
Port Said	„ Aden	.	.	.	1,400
Philadelphia	„ Shanghai	.	.	.	10,480
Rotterdam	„ Kiel	.	.	.	370
Reval	„ Swansea	.	.	.	1,420
Stettin	„ Tornea	.	.	.	790
Singapore	„ Hong Kong	.	.	.	1,435
Shanghai	„ Wei-hai-Wei	.	.	.	500
Ushant	„ Rotterdam	.	.	.	450

Although the distances given in the first of the above tables are from London, by addition or subtraction intermediate distances may be ascertained.

## CHAPTER XIX

### PORT INFORMATION

THE distances quoted in this chapter are calculated from London unless otherwise stated. For the purpose of adjusting differences for other ports, the difference from London to Liverpool is 150 miles and Northern Ports 250 miles.

#### AARHUS

*Denmark.* Chief trade: farm products; good discharge; charges moderate; water 25 ft.; 560 miles Leith.

#### ALEXANDRIA

*Egypt.* Imports: fuel for bunkers; exports: cotton, cotton-seed, oil cakes, beans, onions, etc.; deep water; charges cheap; average 1,000 tons daily; 3,100 miles London.

#### ALGIERS

*Algeria.* Imports: fuel (bunkers); exports: wine, mineral ores and cork; loading average 600-700 tons daily, ore 2,000 tons; 1,720 miles London.

#### ANTOFAGASTA

*Chile.* Open roadstead and artificial harbour; imports: coal; exports: nitrate of soda, copper ore, minerals; discharge in open roadstead is by lighter which is affected on surf days, or alongside quay in inner harbour: charges are heavy; 6,900 miles London.

#### ANTWERP

*Belgium.* Imports: general cargo; exports: iron, general, cement and bricks; good facilities; grain elevators, etc.; railways from all Europe connect with docks; charges cheap; 430 miles Leith.

#### ARCHANGEL

*Russia.* Trades: grain, timber, and wood pulp; has a bar-draft 24 ft.; quick facilities; 1,800 miles Leith.

#### BALTIMORE

*United States of America.* Exports: grain, timber, coal; has elevators and good equipment; charges moderate; wharfage free; port charges expensive, but turnabout is quick; 3,500 miles London.

#### BARCELONA

*Spain.* Imports: coal, cotton, grain; exports: general cargo; deep water; charges dear; turnabout slow; 1,800 miles Liverpool.

#### BOMBAY

*India.* Imports: coal, salt, petroleum, and general cargo; exports: cotton, oilcakes, seeds, jute, and rice; 28 ft.-30 ft.; pilotage is heavy; charges are cheap; conditions are good with moderate speed; 6,290 miles London.

## BREMEN

*Germany.* 21 ft.-34 ft.; fast working; 470 miles Leith.

## CAPE TOWN

*South Africa.* Chief trade: general cargo; good accommodation and water depth; charges are heavy; 6,150 miles London.

## DURBAN (SOUTH AFRICA)

Exports: wool, coal, maize, sugar, fruit; water depth 35 ft. and over; 800 tons daily; 6,990 miles London.

## GALVESTON

*Texas.* Exports: cotton and cotton-seed, grain, timber, oil, mineral ores; charges are dear; water is deep; quick dispatch; good wharfage; modern appliances; 5,000 miles London.

## GDANSK-GDYNIA

Chief port for Polish traffic; exports: coal, cement, timber, beet sugar, salt; imports: iron ore, herrings; has modern appliances; charges are reasonable and dispatch is average.

Leith, 900 miles; London, 790 miles (via Kiel).

## GEFLE

*Sweden.* Exports: wood, wood-pulp, paper, steel, and iron ore; charges are dear; water 25 ft. maximum; 1,100 miles Leith.

## GOTHENBURG

*Sweden.* Exports: as Gefle with the addition of dairy produce; good water depth; compulsory pilotage; good accommodation; charges are dear; 520 miles Leith.

## HALIFAX

*Nova Scotia.* Exports: lumber, coal, fish, wood-pulp; charges are moderate; deep water; quick dispatch; safe and deep harbour; 2,500 miles London.

## HAVANA

*Cuba.* Exports: sugar, molasses, fruit, tobacco; charges are cheap; 4,310 miles London.

## IQUIQUE

*Chili.* Open roadstead plus 4 berths alongside; Exports: nitrate of soda and mineral ores; imports: coal; loading and discharge fairly fast but affected by weather; charges are somewhat complicated and heavy, owing to time taken loading and discharging; 6,770 miles London.

## KARACHI

*Pakistan.* Exports: grain seed, cotton wool, oil, and general; water 28 ft.-32 ft.; sand barred; caution when navigating; plenty of accommodation; moderate charges; 6,090 miles London.

## LAGOS (NIGERIA)

*West Coast Africa.* Exports: cocoa and seeds, palm oil and nuts, ivory, mahogany, and rubber; sand barred 27 ft.; loading in open roadstead; slow turnabout; charges dear; 4,240 miles London.



**LULEA**

*Sweden.* Exports: iron ore, steel, and timber; 25 ft. water; quick dispatch; special tips for ores; charges cheap; 1,350 miles Leith. This port is frozen from November to May.

**MADRAS**

*India.* Exports: seeds, cotton, and groundnuts; water deep. Artificial harbour; charges are low; port is well equipped with appliances; 7,000 miles London.

**MANILA**

*Philippines.* Exports: sugar, hemp, copra; charges are low; loading is done by native labour; slow turnabout; 9,670 miles London.

**MOJI**

*Japan.* Fuelling station. Good water depth; loading by lighters; slow but cheap.

**MONTREAL (QUEBEC)**

*St. Lawrence.* Exports: grain and timber; well equipped; grain elevators, etc.; frozen December–March; quick discharge; port charges are low; accommodation excellent; 3,140 miles London. Commencement of St. Lawrence seaway to Great Lakes.

**NEWCASTLE**

*New South Wales.* Exports: coal, coke, and wheat; charges are dear; dispatch is quick; difficult navigation, owing to sand bars; 11,500 miles London.

**NEWCASTLE UPON TYNE**

Exports: coal, chemicals; imports: grain (elevators), iron ore, oil, esparto grass; water 30 ft.; specially equipped for coal loading; loading and discharge of general cargo about 800 tons a day; charges are moderate.

**NEW ORLEANS**

*Louisiana.* Exports: cotton, lumber, rice, soya, sulphur, grain, coal; 30–35 ft. maximum; charges are heavy; stevedoring high; quick dispatch; 4,810 miles London.

**NEW YORK (U.S.A.)**

Exports: petroleum, grain, and coal; takes any size vessel in harbour; modern appliances; heavy stevedoring is offset by quick dispatch; 3,200 miles London.

**ODENSE**

*Denmark.* Approached by 11-mile long canal. Exports: farm products; water 24 ft.; grain elevators; good appliances for general cargo, rail connections to dock; 600 miles London.

**ODESSA (RUSSIA)**

*Black Sea.* Has five harbours; water 30 ft.; tramp cargoes of grain; turnabout slow; charges are dear owing to accommodation being neglected; 3,300 miles London.

## OPORTO (PORTUGAL)

Exports fruit, cork, pit props, and wine; bar draught of 17 ft.; river port on the Douro (sand barred); cargo discharged in lighters; 720 miles London.

## ORAN

*Algiers.* Imports: fuels; exports: mineral ore, esparto grass, and grain; has a fine harbour; water 46 ft.; charges are moderate; good accommodation; dispatch 700-800 tons daily; 1,530 miles London.

## ORNSKOLDVIK (SWEDEN)

Exports: pit props, timber, wood-pulp; dispatch slow; averages 300-400 tons daily; tends to be dear; water 24 ft.; 1,200 miles Leith.

## PANAMA CANAL

Length. 44 miles, Cristobal to Balboa; deep water to deep water 51 miles, water 41 ft.-45 ft. The Canal dues scale is based on slightly less than net register; 4,500 miles direct.

## PHILADELPHIA

Exports: grain, petroleum, and coal; imports: metallic ores; charges are moderate; dear stevedoring; very quick dispatch; water 35 ft. and over; 2,980 miles London.

## PIRAEUS

*Athens.* Imports: coal and general cargo; exports: tobacco, fruit, general cargo; water depth 35 ft.-26 ft.; loading and discharge by lighters; 500-600 tons daily; dear port, 2,820 miles London.

## PORTLAND

*Oregon.* Exports: wheat and lumber; accommodation 40 ft.; special wharves and elevators for grain; charges are low; stevedoring charges are high; loading about 900-1,000 tons daily; 8,500 miles London.

## PORT SAID (Mediterranean terminal of Suez Canal)

Fuelling station; 3,220 miles London.

## RANGOON

River port. Exports: rice, hardwoods, pig lead; native labour; low charges; loading 750-800 tons daily; 7,980 miles London.

## RIGA (LATVIA)

*River Port on Dwina.* Imports: coal; exports: pit props and flax; water 24 ft.; 500-600 tons; dispatch slow; charges are low; 1,100 miles Leith.

## RIO DE JANEIRO (BRAZIL)

Imports: coal, oil, machinery; exports: general cargo, fruit, iron ore, coffee; 500 tons daily; possible to load and discharge on shore and overside at once; charges are moderate; 5,200 miles London.

## ROSARIO (ARGENTINA)

Imports: coal, oil, and lumber; exports: wheat, linseed, and maize; water 20 ft.-24 ft.; large elevators and electric cranes; charges tend to be heavy; loading 400-500 tons; 6,370 miles London.

## ROTTERDAM (NETHERLANDS)

*River Port on New Waterway.* 18 miles from mouth. Imports: wool, cotton, wheat, timber, mineral ore, sugar, rice; water 32 ft. at high tide, 25 ft. at low tide; very fast discharge; stevedoring cheap; port charges are low; facilities good; floating derricks; coal tips; floating elevators; special grabs for ore; coal quays at entrance to port have automatic tips.

## ROUEN (FRANCE)

*River Port on Seine*—60 miles up; water 24 ft. at high tide; good accommodation; loading and discharge 500-600 tons daily; 255 miles London.

## SAIGON (VIET NAM)

Exports: rice, wheat (poor quality), dry salt fish, rubber; loading and discharge by lighters and native labour; slow; 400 tons daily; cheap, but owing to slowness, dear in the long run.

## SAN LORENZO (ARGENTINA)

Exports: grain; loaded from banks by chutes; water 20 ft. alongside; dear; tends to be slow; elevators, etc.; 6,400 miles London.

## SANTANDER

*Spain.* Exports: mineral ores; good water depth; alongside berths; 28 ft. at low water; charges are dear; turnabout slow; frequent holidays; 600 miles Cardiff; 690 miles London.

## SAVANNAH (GEORGIA U.S.A.)

Exports: cotton, meal, and seeds, steel products, lumber; water 30 ft.; charges are dear; quick dispatch; 3,500 miles London.

## SEVILLE (SPAIN)

Imports: coal and general; exports: olive oil, cork, fruit, wines, and general cargo; river port, 60 miles from sea; maximum 20 ft.; dispatch quick; charges are dear; 1,135 miles London.

## SFAX

*Tunisia.* Exports: phosphates, esparto grass; water 28 ft.-32 ft.; open harbours; good roadstead; plenty of lighters; charges are moderate; 450-500 tons daily; 2,260 miles London.

## STOCKHOLM (SWEDEN)

Exports: wood, wood-pulp, steel, ore and general cargo; water 23 ft.-30 ft.; appliances plentiful and in good order; 1,000 miles Leith. Port is kept open in winter by icebreaker.

## SUZ CANAL

101 miles long, Port Said to Suez; maximum draught 34 ft.; open day and night (at night vessels are bound to have a searchlight); 3,000 miles Cardiff.

## SULINA

Water 24 ft. fixed by depth over bar; has floating elevators; loading or discharging alongside by lighters; 400-500 tons per day; charges are cheap; 3,300 miles London.

## SYDNEY

*New South Wales.* Exports: wool, grain, tallow, minerals, frozen meat, fruits, hides; has appliances for all classes of cargo; deep water; charges are dear, but loading is quick; 11,490 miles London.

## TANDJONG PRIOK (DJAKARTA)

*Java.* Exports rubber, rice, coffee: noted for labour loading, which is slow but cheap; part open roadstead; 8,520 miles London.

## TRIESTE

*Italy.* Imports: coal, cotton, rice, petrol, and general; water 30 ft.; charges are moderate; turnabout moderate; 2,850 miles London.

## TURKU (ÅBO)

*Finland.* Chief trade: timber; fair facilities; charges reasonable: 900 miles Leith.

## VALPARAISO (CHILE)

Exports: mineral ores, grain, lumber, wool; open roadstead but safe anchorage; berths sufficient for steamers drawing 30 ft.-35 ft.; slow dispatch; charges are dear; 7,400 miles London via Panama.

## VANCOUVER

*British Columbia.* Exports: wheat, lumber, mineral ores, canned goods; deep water and natural harbour; good accommodation; plenty of elevators; dispatch quick; charges tend to be high; 9,000 miles London via Panama.

## VIBORG

*Finland.* Water 20 ft.-40 ft. in Trangsund Roads; 1,550 miles London; 1,250 miles Leith.

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## CHAPTER XX

### CARGOES, STOWAGE OF CARGO, AND CARGO INFORMATION

THE shipowner is responsible for improper or bad stowage, and he is not relieved from liability for any loss occasioned by this no matter how many clauses he may insert in his bills of lading or charter-parties with that object.

The master has control and is directly responsible for the safe handling, loading, stowage, and carriage, care and custody of the goods, and it is one of his primary duties to see that neither the ship nor the cargo is damaged. He is considered to be a competent stevedore and have a full knowledge of safe stowage.

The order of shipment is arranged by the master, and several points must be borne in mind. First, cargo is stowed in the ship in the reverse order to that in which the goods are to be taken out, for example, a ship calling at three ports, namely, A, B, and C, consecutively, must load its cargo in the order of C, B, and A, cargo for Port C first, and cargo for Port A last, the master bearing in mind, whilst the loading is in operation, that when the cargo for Port A is removed, the ship is still partly loaded, and the cargo remaining on board must be in such a position that it does not have to be rearranged before the vessel may safely proceed to port B. The same conditions apply at Port B, when the cargo on board for Port C is the only cargo remaining stowed.

A competent stevedore would in his loading operations see that heavy cargoes were not stowed over light cargoes, and it is the master's responsibility to see that the stevedore properly carries out his duties in this respect. Also types of cargo which would be liable to cause damage to other cargo should be separated in an efficient manner as a preventive of possible cargo claims.

Any cargo which may be found damaged when loading is

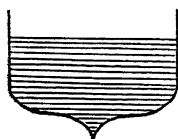
commenced should be rejected in the interest of other cargo loaded in the same space under deck. This applies especially to packages containing liquid cargoes.

The ship receives cargo, and receipts or bills of lading are signed for goods in "apparent good order and condition," if a bill of lading is so issued and the master accepts any package which does not correspond with this description he lays himself open to possible cargo claims which are not the fault of the ship but for which he must bear responsibility. The tally should therefore be claused in order that the condition of the goods may be inserted on the bill of lading.

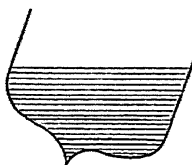
Coal and grain cargoes are liable to spontaneous combustion as also is copra, and precautions must be taken to ensure the safe ventilation throughout the period of the voyage.

Grain, in addition to its natural tendency to become heated, is very liable to shift, and in charter-parties where full cargoes of grain are carried the provision of shifting boards is included in the contract. Shifting boards are inserted in the holds dividing the space into several smaller compartments as an assistance to the stability of the ship if cargo should shift. Shifting boards are now compulsory for most bulk grain cargoes.

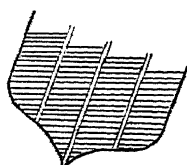
A simple illustration of the ship if cargo should shift is shown hereunder—



A—Hold of a ship showing level of grain cargo.



B—vessel listing, showing cargo shifted, and new level formed.



C—vessel listing, and new level of cargo with the addition of shifting boards.

From the second sketch (B) it will be seen that once a vessel has listed causing the cargo to find a new level it is a

practical impossibility to right the ship to her original level, but in the last sketch where shifting boards are shown, it will be seen that although the vessel has listed and the cargo moved, the weight of the cargo is still evenly distributed, and the vessel will then regain her level immediately.

In grain cargoes also, the master usually has the right to demand a certain quantity of the cargo in bags, which he may stow in between the bulk cargo thus forming divisions as an alternative, or assistance, to shifting boards, if these are not compulsorily required.

This shifting of cargo not only applies to grain but to many other types of cargo such as ores, flint stones, or small coal.

Holds may become tainted by the carrying of certain types of cargo, and be deemed unseaworthy for the reception of other cargo until all trace of the original cargo has been removed. It has already been mentioned that when cattle have been carried and foot and mouth disease has broken out, a ship is unseaworthy to load other cattle until such time as all trace of the disease has been removed and the vessel satisfactorily fumigated.

Any cargo which has a distinct odour should either be refused or carried only on deck, otherwise it will be found that by its nature it will throw off its odours, and other cargo stowed in the same space will become tainted by such odour. Any type of cargo containing creosote, as creosote in drums, or creosoted sleepers, has an effect on other cargo shipped in the same hold which when discharged will more often than not be found to have become tainted by the odour of the creosote. In addition to this there are many cargoes which are known for their natural tendency to affect other cargoes. Special provision should be made for the carriage of such dirty cargo.

Provisions, butter, or any cargo which may be liable to melt or deteriorate if placed in contact with heat, should be stowed well away from boilers or parts of the ship which may be affected by heat from the ship's engines. The

existence of a bulkhead dividing cargo from engines is not always sufficient to ensure freedom from damage due to this cause.

Reference has already been made in Chapter VI to the provisions of Par. 6 of Article 4 of the Carriage of Goods by Sea Act, 1924, with relation to dangerous cargoes. Other provisions are contained in Sects. 446-450 of the Merchant Shipping Act, 1894, and it will be remembered that the Act of 1924 expressly saved the operation of these sections. The following is a summary of Sects. 446-450 of the 1894 Act—

1. It is unlawful to send or attempt to send or to carry or attempt to carry in any vessel any dangerous goods, without distinctly marking their nature on the outside of the package, and giving notice of their nature to the master or owner of the vessel at or before the time of sending them to be shipped. Breach of the above requirements renders the guilty person liable to a fine of £100, or if he was merely an agent and did not suspect that the goods were dangerous then to a fine of £10.

2. To send or attempt to send dangerous goods under a false description renders the guilty person liable to a fine of £500.

3. The master or owner of a vessel is empowered to refuse any package which he suspects to contain dangerous goods and may require it to be opened to ascertain that fact. Where goods which the master or owner of the vessel deems to be dangerous have been sent or brought aboard a vessel without being marked or without notice being given, the master or owner may cause the goods to be thrown overboard, and shall not thereby be subject to either civil or criminal liability.

4. Any court having Admiralty jurisdiction may declare goods wrongly taken on board under the above provisions to be forfeited and in such a case they may be disposed of as the court directs.

Seasonal shipments affect the general movement of cargoes, and it should be remembered that summer in countries south of the Equator extends from October to



March, and with the cessation of harvest in the north, the south commences to become the provider of the world's needs.

This seasonal change and time of shipment of cargoes from certain places was more clearly defined some years ago than at present. Now, with the advent of cold stores, canning stations, refrigerator ships, and many other inventions and improvements, the markets of the world have become generalized, shipments being made at all times of the year.

A few seasons are given below—

GRAIN .	CANADA. W. Coast Vancouver	March
	E. Coast Montreal .	April F.O.W.
	INDIA. Karachi . . . .	March-May
	DANUBE . . . . .	March
SUGAR .	JAVA . . . . .	November-December
	MAURITIUS . . . . .	January
	CUBA . . . . .	January-March
	DUTCH WEST INDIES . .	January-March
WOOL .	AUSTRALIA AND NEW ZEALAND	December-January
	(Two seasons)	October-November
	ARGENTINE AND SOUTH AFRICA	December and August
	KARACHI . . . . .	March and August
COTTON .	GULF OF MEXICO . . . .	May-October
TIMBER .	BALTIC . . . . .	April-May
		September-October
	GULF OF ST. LAWRENCE .	April-May
		September-October
	GULF OF MEXICO . . . .	October-November
		March-April
	BURMA (Hardwoods) . . .	August-September
TEA . .	GULF OF NIGERIA (Mahogany)	January-February
	NORTHERN RANGE PORTS .	October-November
		March-April
COCOA .	CHINA . . . . .	February-March
	(New season crop. Indian slightly advanced to China)	October-November
COFFEE .	BRITISH WEST AFRICA . .	November-December
	BRITISH WEST INDIES . .	March-April
COFFEE .		October-November
	BRAZIL, AFRICA, INDIA, MADRAS, BOMBAY, KENYA, AND SANTOS	October-January
		May-July

## CARGO INFORMATION

The following particulars are given showing the places of shipment, how the cargo is packed, and the approximate stowage figures. These figures indicate the space occupied in a ship's hold by one ton of cargo (2,240 lb.) of the commodity mentioned. It will be seen that heavy cargoes occupy the smallest space, whilst the lighter the cargo is, the more space is occupied. From this will be seen the reason why when dealing with general cargoes or light cargoes that 'tween deck or shelter deck steamers are required providing ample under deck space, against the single deck steamers for heavy cargoes, where plenty of space is not necessary.

## APPLES—

From Canada, South Africa, Australia and New Zealand, Argentine, and the United States of America.  
In boxes, 78 cub. ft.  
In barrels, 90 cub. ft.

## BUTTER—

From Australia, Argentine, Denmark, New Zealand, United States of America, and Canada.  
In cases, 60 cub. ft.  
In boxes, 55 cub. ft.  
In kegs, 65 cub. ft.

## BANANAS—

West Indies, West Africa, and Canaries.  
In crates (single and double), 112 cub. ft.; or stems in plastic bags.

## COTTON—

Egypt, Sudan, America, India, Australia, Brazil, and Argentine.  
Packed in bales.  
Egypt, 70 cub. ft. Each bale weighs 700 lb.  
Sudan, 90–100 cub. ft.  
America (New Orleans and Galveston), in bales of 480 lb. in two grades. Standard Egyptian, 150 cub. ft., and high density, 85 cub. ft.  
Indian (Karachi and Calcutta), in bales, 55–60 cub. ft.  
Australian, 130 cub. ft.

## COPRA—

Dutch East Indies, Malabar Coast, Malay, West Africa, and Oceania.  
In sacks, 85–125 cub. ft.  
In cases, 80–90 cub. ft.  
In bulk, 70–120 cub. ft.

## CURRANTS (DRIED)—

From Greece, 50 cub. ft.  
Australia and South Africa, 55 cub. ft.  
Packed in boxes.

**CITRUS FRUIT—**

From Africa, West Indies, United States of America, Atlantic islands, and Mediterranean ports, 68 cub. ft.

In cases. Each case weighs 80 lb., and 17 standard cases measure 1 ton.

**DEALS, BOARDS, AND BATTENS—**

Measured and carried by the standard of 165 cub. ft. per standard.

**ESPARTO GRASS—**

In bales. Unpressed, 120 cub. ft. Semi-pressed, 90 cub. ft.

From Southern Europe and North Africa.

**FRUIT PULP—**

From the colonies.

In tins, 40-45 cub. ft.

**GRAIN—**

Wheat from the temperate climates.

Maize from the sub-tropical climates.

Wheat shipped from Canada (St. Lawrence), Northern Range ports of the United States of America, Danube, and Karachi.

Shipped in bags or bulk.

Wheat in bags, 50 cub. ft. ; in bulk, 45 cub. ft.

Maize in bags, 55 cub. ft. ; in bulk, 48-52 cub. ft.

Barley in bags, 70-75 cub. ft. ; in bulk, 60-65 cub. ft.

Oats in bags, 70 cub. ft. ; in bulk, 60 cub. ft. (clipped oats).

Oats in bags, 80 cub. ft. ; in bulk, 70 cub. ft. (unclipped oats).

**GROUND NUTS (KERNELS)—**

West Africa, Madras Coast.

In bags, 65-68 cub. ft.

**HIDES—**

River Plate, South Africa, Australia, and China.

Places where large cattle ranches are in existence usually ship hides, with the exception of Canada, where, although ranches are abundant, few shipments of hides are made. Similarly, where wool is shipped it is usual to find large quantities of mutton and lamb being exported, but one exception to this generalization is South Africa, where, although quantities of wool are shipped, little meat is exported. Here the sheep are bred for the production of wool, and the meat is credited to be too tough and untasty to secure a reasonable market.

Measurements of hides are—

Wet, 45-50 cub. ft.

Dry, 180-200 cub. ft.

Salted in barrels, 55-60 cub. ft.

African non-pressed, 86 cub. ft.

Pressed, 22 cub. ft.

Indian hides are carried on scale.

**HOPS—**

From the Mediterranean, United Kingdom, and United States of America.

In bales or bags, 250 cub. ft.

Plenty of ventilation is necessary for this cargo.

**IRON ORE—**

Spain, North and West Africa, Sweden, North and South America.

Loaded by grabs or baskets, 20-25 cub. ft.

This type of cargo is slow in loading or discharge except when being dealt with at ports which have special appliances for this cargo.

**LEMONS—**

West Indies, British Guiana, Italy, and Spain.

Boxes, 85 cub. ft.

In bags or sacks, 80 cub. ft.

**LINSEED—**

River Plate, India, Australia, New Zealand, and Karachi, 60 cub. ft.

Bombay and Calcutta, 57 cub. ft.

River Plate, Australia, and New Zealand, 60-65 cub. ft.

**MINERAL ORES include the following—**

Antimony, cobalt, copper, iron, lead, manganese, nickel, silver, chrome, uranium, tin, and zinc.

In bulk, 15-20 cub. ft.

In bags, 18-22 cub. ft.

**OIL CAKES—**

From all ports shipping cotton.

Oil cakes are made from the residue of crushed cotton-seed.

Shipped in bags, this commodity measures approximately 50-60 cub. ft.

Egyptian oil cakes are heaviest.

**PIT PROPS—**

From White Sea ports and France.

Average, 50 cub. ft.

**PHOSPHATES—**

Gulf of Mexico, Morocco, Oceania, and Tunis.

In bags, 45-55 cub. ft.

In bulk, 33-35 cub. ft.

**RUBBER—**

From Straits Settlements, Malay, Indonesia, and West Coast of Africa.

Packed in bags, bales, or cases.

Bales, 75 cub. ft.

Cases, 65 cub. ft.

Bags, 70 cub. ft.

## RICE—

From Burma, China, United States of America, the Guianas, and Japan.

Burma, in bags, 50 cub. ft. Cleaned rice, 40-45 cub. ft.

China and Japan, in bags, 60 cub. ft.

## SAGO—

Formosa, Burma, and Viet Nam.

In bags, 55 cub. ft.; in casks, 60 cub. ft.

## SUGAR—

From Java, Madagascar, Argentina, Caribbean, Mauritius, South Africa, East Indies, and Australia.

Java shipments in bags or baskets: bags, 48-50 cub. ft.; baskets, 60-63 cub. ft.

Madagascar and South Africa: in bags, 40-45 cub. ft.

East Indies: 36-42 cub. ft.

## SEEDS—

From India, China, and West Africa.

Indian seeds are carried on scale.

Hemp, 70 cub. ft.; linseed, 60-70 cub. ft.; rapeseed, 60 cub. ft.; mixed seeds, 75-80 cub. ft.

## TIMBER—

Scandinavia and White Sea, St. Lawrence, Pacific, and Northern Range ports of the United States of America.

Carried on measurement of 165 cub. ft. per standard.

## TINNED FRUIT—

From Canada, Australia, South Africa, New Zealand, and America, 40-46 cub. ft.

## WOOL—

From Australia, New Zealand, South Africa, River Plate, Mediterranean, Australia, and New Zealand.

In press packed bales, double bags.

Greasy wool, 180-190 cub. ft.; scoured, 280 cub. ft.; undumped, 240 cub. ft.; African pressed bales: greasy, 200 cub. ft.; scoured, 270-280 cub. ft.

Australian raw wool (dumped and greasy) is double-pressed, and measures only 92 cub. ft. per ton.

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## CHAPTER XXI

### AGENTS AND AGENCY

AN agent is a person who acts for or on behalf of another (the principal) in such a manner that the principal is legally liable for all acts carried out under such agency.

There are several ways in which an agency may be created, and the rules apply not only to shipping but to all other commercial or professional agents.

The clearest manner in which an agency may be created is by *express* agreement, whereby the agent receives from his principal definite instructions to do certain things on his behalf. He will receive either limited bounds in which to operate or a general agency by which he may act in all manners in the furtherance of his principal's business.

*Implied* agency is created when a person receives implied authority to act for another; an example may be given in the case of the master of a vessel, who is the agent of the owners by appointment in relation to the conduct of the ship and ship's business. He is, however, only bailee for the cargo which is carried on board the ship. Under his powers as bailee, he has not authority to do other than care for and keep the goods in his charge until delivery. But when the ship meets with danger or in a time of peril, the master has implied authority to act as agent for the cargo owner, and may dispose of, or treat with the cargo, which in his ordinary course of business he would have no authority to do. It may be noted that the master has limited powers only in ordinary times, but in times of peril his authority is unlimited.

Agency by ratification occurs when the agent commits an act for which he has no authority whatsoever, but acquaints his principal *after the occurrence* with his act, and the principal agrees to and accepts the agent's action. A contract in excess of authority can be ratified only when the agent contracted as agent though in excess of authority.

The golden rule of agency may be expressed as: "Never exceed instructions, and always keep within authority." For an agent who acts upon these lines, there should never be any question of liability, or possible fear of the responsibility falling upon his shoulders.

When a principal appoints an agent, then all the acts of the agent, and responsibilities incurred are for account of the principal as though he had acted personally, but only when he has given his agent the power to act in such manner. Should the agent exceed his authority and carry out an action which is outside the scope of his agency then the principal may refuse to accept responsibility. It should be observed, however, that the principal cannot impose secret limitations on the power of the agent; any limitations must be communicated to the other party.

While the agent must act upon his instructions, he has implied powers given him to do everything necessary for the execution of any expressed authority he may have received. If the agent is appointed for the purpose of carrying out a certain duty, and receives authority to do so, but before he is able to proceed has to carry out other acts, then his authority is implied for such acts, it being understood that he could not have proceeded with his agency until such matters were attended to.

A special point here which may be stressed is that whilst an agent receives authority to fix a charter-party, he has no authority to alter the charter-party in any manner after it has been signed, even if he sees that such an alteration is in his principal's interest. Having carried out his duty his responsibility ceases immediately.

There is also no authority given to an agent to delegate his duty to another person to act for him. Having been selected as the agent of the principal, then he must carry out such agency himself, and he has no powers of delegation unless express or implied authority to delegate has been given to him by the principal, or unless it is permissible by custom of trade, or unless the nature of the business requires delegation.

The mere fact of delegation does not as a rule establish any relationship between the principal and the sub-agent. The sub-agent is responsible only to the agent who appointed him, and the principal is not liable for the acts of the sub-agent. This is so even where the agent has authority to delegate. Where, however, the principal has definitely accepted and agreed to the sub-agent who is appointed a relationship may spring up directly between the principal and the sub-agent (there is said to be privity of contract between them), and in such a case the original agent drops out and the sub-agent becomes in effect an agent.

The agent is not allowed to use any information which he may obtain from one principal in carrying out his duties with another principal. That is, any confidential information that is acquired whilst operating an agency for one person may not be used in connection with any agency with another. The use of experience and general information is not debarred, but only such information as, if used, might be detrimental to the principal from whom it was acquired.

Under the Prevention of Corruption Act, 1906, an agent may not receive any secret commission, or payment from persons other than his principal. This is to prevent bribery and corruption as a means of securing or influencing business, and furthermore, should any agent be discovered to have accepted any such payments, then he must hand the sums received to his principal.

In effect, the agent is unable in the course of his duties to earn more than the amount which is allowed to him under his commission agreement. Any increase in profits brings to him increase in commission, by which method he is repaid if the agency flourishes under his guidance. Where, for example, an agent receives goods for export at the agreed selling price of 10s., and he is able to dispose of the articles at 11s., then the addition resulting from the increased selling price must be credited to his principal, irrespective of the fact that the principal would be satisfied if he received only the 10s. desired.



The agent has a right to his commission, which may be either at an expressed rate or implied; should there be no express agreement, then the right to commission is implied at such a rate as is customary or usual.

It is usual to incorporate in the charter-party a clause providing for the agent's commission—in such a case the agent cannot himself sue on the charter-party as he is not a party to it; he may, however, sue through his principal as trustee for him, and in any event he can sue his principal on a collateral agreement to pay his commission evidenced in the charter-party. If the charter-party contains no reference to the agent's commission he may sue the ship-owner on an implied contract to pay him the customary remuneration.

Whilst the principal is responsible to the agent for payment of all commissions due, there is no obligation on the part of the principal to continue a contract for the sole benefit of an agent earning his commission. For example, where a long time charter-party has been fixed for ten years the agent may consider that for this period he will receive commission. Should the principals agree mutually to close the contract after two years have elapsed, they may do so, and the agent is therefore placed in the position of losing eight years' commission. The agent in such a case has no remedy unless a clause is inserted in the charter-party or agency agreement whereby he is to receive commission for the full time of the contract. A point here to be emphasized, however, is that there must be no collaboration on the part of the principals to close the contract in order that the agent's right to his commission shall be defeated.

The agents concerned with the chartering of vessels are known as brokers, and many charter-parties are fixed by the brokers acting on behalf of the principals. In this case the broker should see that his signature to a charter-party is clearly defined, stating that he is an agent, and he must therefore sign the document and qualify his signature by the words "As Agents," "As Agents for the Charterers," or by any similar words. The use of the word "Agent" alone is

considered as only a description and not as a qualifying word. This procedure need not be adopted when there is reference made in the body of the document to the fact that the person executing it is an agent. If, for example, "A.B." is referred to in the body of charter-party as agent for "C.D." then there is no necessity for "A.B." to qualify his signature when completing the document, as it has been held that the document is construed as a whole in all cases of dispute.

As in the case of many other contracts by brokers, charter-parties are arranged by telephone or telegraphic communication, and the broker must in these cases (to ensure his own safety), qualify his signature by such words as "By Telegraphic authority," or "By Telephonic authority," or again in some cases "Subject to owner's approval." In each case the agent makes allowance for any discrepancies which may have occurred in the course of transmission of the cables or telegram.

When an agent works under the conditions which have been emphasized above, he may have little or no fear that any acts of his own will render him personally liable.

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## CHAPTER XXII

### PROTECTION AND INDEMNITY CLUBS

THESE clubs, which are known by the short title of "P. & I. Clubs," are formed by the shipowners in order to secure cover for risks which are outside the marine insurance policy, risks which perhaps may be more clearly understood as third party risks.

"War Risk Clubs" are clubs organized for a like purpose in war time and are run in a similar way, and although not operating in peace time, are still kept in existence.

The maintenance of these clubs is secured by way of a levy upon the amount of tonnage owned by the members of the club, each making his proportionate payment to the funds of the club.

Shipowners having realized that they have not been able to secure cover by insurance for certain risks, become members of these clubs and by so doing obtain the necessary security against possible loss, thus avoiding any financial setback which they are liable to receive if they do not take advantage of this method.

It must not be assumed that because a shipowner is a member of one of these clubs he may automatically dip in his hands and collect his losses; the money which he draws out must be replaced sooner or later, consequently, the more the members receive out of these clubs, the more they must pay into them, to ensure the organization remaining solvent.

Calls are made from time to time by the secretaries of the clubs; by this method they replenish their funds and, consequently, when several severe losses follow one another the calls made by the clubs become correspondingly heavy.

The clubs are divided into two sections, namely, Protection and Indemnity, and usually cover the following risks—

#### PROTECTION

Cases of loss of life or personal injury.

Repatriation of distressed seamen, and any expenses for hospital and medical attention.

Loss of life following collision.

Loss or damage by collision to another vessel, including one-quarter of the value of the cargo on board—it being remembered that three-quarters of the cargo is covered under the marine policies.

Loss or damage to cargo arising from improper navigation.

Cargo's proportion of general average arising from improper navigation.

Damage to piers, jetties, and wharves.

Cost of raising wreck.

Cost of Board of Trade inquiries.

Quarantine expenses.

Legal costs of defending claims.

#### INDEMNITY

Wrong, short, or mixed delivery of cargo.

Steamer's liability following collision, which is not covered by insurance.

Cost of fines which may be caused by the barratry and wrongful acts of the master and/or the crew.

Cost of resisting cargo claims.

The cost of defending and resisting claims which is mentioned at the close of each section does not refer to the ordinary commercial claims which an owner has to contend with, but only to claims which have significance in the interest of all owners.

Such cases, when fought, may usually be described as "test" cases in which owners are desirous of obtaining a legal ruling upon a certain matter by which they may be guided in the future. These test cases may cost some thousands of pounds before they are settled, and may appear an extravagant expense of money, but when it is realized that stated rulings are laid down on which owners may act in future similar circumstances thus obviating many claims of a like nature, this expense appears obviously necessary.

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## CHAPTER XXIII

### ARBITRATION

ARBITRATION is becoming increasingly popular as the method by which disputes are settled, both commercially and politically. From a commercial standpoint the two main advantages are the speedy manner in which claims and disputes are settled, and the cheaper costs.

Cases which are settled in court have to take their turn, and much delay may be occasioned, especially when the courts are congested. In addition to this the cost of litigation is often more expensive and frequently outweighs the value of the decisions when ultimately received.

To ensure the safe guidance of a case through the courts a highly experienced legal advisor is necessary, and the more experienced and successful such representative is the higher are the costs which must be met.

A successful arbitrator must be a man of unbiased opinion who measures the case from an uninterested standpoint, favouring neither party. He is supported by the Arbitration Act of 1889, which sets out the rules of arbitration giving to an arbitrator many of the powers of a judge, and allowing him to use his discretion as to the costs he will award.

The majority of charter-parties and bills of lading contain an arbitration clause, stating that claims or disputes shall be referred to arbitration, and the manner in which arbitration shall be carried out.

The three usual methods are—

(a) The appointment of a sole arbitrator, who makes his decision alone, by reference to documentary evidence, but who has the power, should he wish, to call witnesses.

(b) The appointment of an arbitrator by each party to the dispute. Should they fail to arrive at an agreement, they appoint an umpire. Before this umpire the case should be re-heard and witnesses re-examined—it is not as a rule

sufficient, in the absence of consent by the parties, for the umpire to base his decision on the notes of the arbitrators. It is, however, a practice in commercial arbitrations—and one that the courts will uphold—for each arbitrator to state the case for his own party, and the umpire then makes his decision, which is binding upon both parties.

(c) An arbitrator is appointed by each party, and the two arbitrators then straightway appoint the umpire. These three persons then consider the dispute and listen to the evidence as supplied by witnesses.

The arbitrators when appointed must either make their decision or appoint an umpire within the period of three months. After one month the umpire must make his decision, but although these time limits are set, they are flexible to the extent that the arbitrators and the umpire may extend their allotted time, provided they give notice of such extension in writing to the interested parties.

Failure of one party to appoint an arbitrator, gives to the other party the right of appointing his own arbitrator as sole arbitrator after giving seven days' notice.

Having agreed to arbitrate, the parties must be bound by the decision of the arbitrator, and should one party institute legal proceedings then the other party may make application to the court for the stay of such proceedings.

The decision of an arbitrator is as binding and equally as enforceable as that of a court, and in the case of any failure by the parties to accept the ruling laid down by the arbitrator, the arbitrator may apply to the courts to uphold his decision.

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## CHAPTER XXIV

### DEFINITIONS AND ABBREVIATIONS

**a.a.** Always afloat. Provision in charter-party that the vessel must remain afloat at all times when loading and discharging.

**A. & C.P.** Anchors and chains proved.

**Abandonment.** To give up the possession of a vessel, usually when in a position of danger.

**Act of God.** Any act which could not have been prevented by human intervention or forethought.

**Ad valorem.** According to the value.

**Ad valorem duty.** A duty based upon the value of the goods.

**Ad valorem freight.** Freight chargeable on the value of the goods shipped and not on weight or measurement.

**Advance notes.** A draft upon the owners of a vessel for wages in advance given to the seaman upon signing articles.

**a.f.** Advance freight. Freight paid in advance.

**Afreightment.** A contract for the carriage of goods by sea, expressed in a charter-party, or by the terms and conditions of a bill of lading.

**A/H.** Antwerp-Hamburg range.

**Arbitration.** The process of submitting matters of dispute or of a controversial nature to the judgment of an agreed person, or persons, without applying to courts for a settlement.

**Arbitration award.** The decision of arbitrators.

**Bailee.** Person to whom goods are entrusted for a special purpose.

**Barratry.** Fraudulent act on the part of the master and/or crew of a vessel without the connivance of the owners.

**B.C.** Bristol Channel.

**B.D.** Bar draft. The amount of water over a bar measured at the ebb tide.

**B.E.** Bill of entry; or bill of exchange.

**B.H.** Bill of health. Certificate issued by the Medical Officer of Health for the port, giving a statement of the condition of the health of the port or ship.

**B/L.** Bill of lading. A receipt for goods received for shipment or shipped on board a steamer. It is a document of title, and whilst not a contract, contains *prima facie* evidence of the terms and conditions of such.

**Bonded goods.** Goods deposited in a bonded warehouse until such time as the duty upon them has been paid.

**B.o.T.** Board of Trade.

**Bottomry.** Money borrowed upon a ship's hull, gear, and cargo which is repayable with interest when the vessel returns to port in safety. It is forfeited should the vessel sink.

**Brokerage.** Commission charged for securing and transacting business connected with shipping.

**B/S.** Bill of sale.

**b.t.** berth terms.

**Bunker.** Space in which the fuel for the vessel is stored, or the actual fuel itself.

**B.V.** Bureau Veritas.

**Cargo.** Merchandise received on board a ship for carriage.

**C. & F.** Cost and freight.

**C. & I.** Cost and insurance.

**Caveat Emptor.** Let the buyer beware. The purchaser must ascertain the state and condition of the goods before he makes the purchase.

**C.C.** Civil commotion.

**Cesser clause.** This clause relieves the charterer from liability after loading of cargo, and payment of freight, dead freight, and demurrage.

**C.F.O.** Calling for orders.

**Charter-party.** A contract between shipowner and charterer for the carriage of goods, or hire of vessel, for a period of time.

**C.I.F.** Cost, insurance, and freight.

**C.I.F.C.I.** Cost, insurance, freight, commission, and interest.

**C.I.F.L.T.** Cost, insurance, freight, London terms.

**c. ft.** Cubic feet, 40 c. ft. being the basis of a freight ton.

**Clearance.** Official permission from customs officer for a vessel to leave port when all dues have been paid, and all formalities observed.

**Clear days.** Time to be reckoned exclusive of the first and last days.

**Complement.** The number of crew employed upon a vessel for its safe navigation.

**Consign.** To send goods from one place to another.

**Consignor.** The person who consigns or forwards the goods.

**Consignee.** The person to whom the goods are sent.

**Consul.** The commercial representative of one nation residing officially in another country, to facilitate business relations between the two countries.

**Consulage.** Duty paid to a consul for protection of goods.

**Cont. B/H** Continent, Bordeaux-Hamburg range.

**Cont. H/H** Continent, Havre-Hamburg range.

**Contraband.** Goods smuggled into a country avoiding duty.

**c.p.d.** Charterers pay dues.

**C.T.L.** Constructive total loss.

**c.t.l.o.** Constructive total loss only.

**D.B.B.** Deals, boards, and battens.

**D.C.** Deviation clause.

**dd.** Delivered.

**Deadfreight.** Freight paid for space booked but not used.

**Deck load.** Cargo carried upon deck.

**Del credere.** An agreement by which an agent when he sells goods on credit for an additional commission, guarantees solvency of the buyer, and his performance of the contract.

**Demurrage.** Compensation paid to shipowner for delay of a vessel beyond the stipulated time in charter-party for loading or discharge.

**Deviation.** Departure from the set or agreed course of the voyage.

**Dirty money.** Extra payment to labourers for handling goods of an objectionable nature.

**Dispatch money.** Bonus paid to charterer for loading a vessel in less time than stipulated in charter-party.

**dp.** Direct port.

**Drawback.** Allowance granted by Government to encourage the exportation of certain articles, or a return of duty paid on certain articles.

**Dreadage.** The option of shipping general cargo under a grain charter-party. Freight to be paid at the same rate as grain, but all extra charges incurred to be for account of the charterers.



**Dock dues.** Charges made upon shipping for the use of docks.

**Draught.** Depth of water necessary to float a vessel.

**Dumb barge.** Barge without sail or motive power.

**Dunnage.** Material (wood, matting, etc.) used in stowing cargo either for separation or for prevention of damage.

**d.w.** Dead weight.

**E.C.C.P.** East Coast coal port.

**E.C.U.K.** East Coast, United Kingdom.

**Embargo.** Government order for prohibition against sailing of vessels from certain port.

**ex.** Out of.

**Excise.** Duty charged on home produced goods before sale to consumer.

**Ex facie.** According to documents.

**Ex quay.** Buyer is responsible for charges after delivery on quay.

**Ex ship.** Seller pays freight to port of destination. All other charges for account of the purchaser.

**F. & d.** Freight and demurrage.

**f.a.** Free alongside.

**f.a.c.** Fast as can.

**f.c. & s.** Free of capture and seizure.

**f.d.** Free delivery; or free dispatch.

**f.i.b.** Free into bunkers; or free into barge.

**f.i.o.** Free in and out.

**Flotsam.** Goods lost by shipwreck and found floating on sea.

**f.o.b.** Free on board.

**f.o.c.** Free of charge.

**Founder.** To fill with water and sink.

**f.o.w.** First open water. A term used in connection with ice-bound ports.

**f.o.d.** Free of damage.

**Form O.** American charter-party for cotton trade.

**Franco.** Prepaid.

**f.r. & c.c.** Free of riots and civil commotion.

**frt.** Freight.

**f.t.** Free turn; or full terms.

**G/A.** General average.

**Gross tonnage.** Vessel's internal space measured in units of 100 cub. ft.

**Groundage.** Charge made for permission to anchor.

**Hogged.** When the two ends of the ship droop lower than the part amidship.

**Hold.** A part of the interior of a vessel below decks in which cargo may be stowed.

**Home trade.** British Isles and Elbe-Brest range of ports inclusive.

**Indemnity.** Security of compensation against loss or damage.

**Inherent vice.** Defect due to the nature of the object.

**In transitu.** On the passage.

**Inward charges.** Charges incurred entering a port, e.g. pilotage, etc.

**i.v.** Invoice value.

**Jerque note.** Certificate issued by Customs officer that he has inspected the vessel, and is assured that all cargo has been delivered, and none remains on board.

**Jetsam.** Goods which have been thrown overboard for the purpose of lightening the ship.

**Jettison.** To throw overboard.

**j. & w.o.** Jettison and washing overboard.

**Knot.** A measure of speed, being one nautical mile of 6,080 ft. traversed in one hour.

**Lagan.** Goods jettisoned, but which have a floating object attached by which they may be recovered.

**Landing order.** Authority to dock company or wharfinger to receive goods from a ship.

**Lay days.** Days allowed for loading or discharging of a vessel under charter-party.

**Lazaretto.** Part of the ship in which persons under quarantine regulations are quartered, or the place where goods are fumigated.

**L.C.** London clause.

**Levant.** Eastern end of the Mediterranean, including islands.

**Lien.** The right of holding goods until a debt due in respect to such goods is satisfied.

**Light dues.** Tolls levied on vessels for the purpose of maintaining lighthouses and lightships.

**Lighterage.** Charge for the use of a barge or lighter.

**L.M.C.** Lloyd's machinery certificate.

**L.L.T.** London landed terms.

**Loading turn.** Rotation or order for ships to berth and load cargo.

**London clause.** "The shipowner shall be entitled to land these goods on the quays or the dock when steamer discharges immediately on arrival, and upon the goods being so landed the shipowner's responsibility ceases. This clause is to form part of the bill of lading and any words at variance with it are hereby cancelled."

**Lump sum freight.** Gross sum of money stipulated to be paid for the carriage of cargo, irrespective of quantity.

**Metric ton.** 2,204-6223 lb.

**M/R.** Mate's receipt.

**n.a.a.** Not always afloat.

**n.d.** Non-delivery.

**n/n.** Not north of.

**n.o.p.** Not otherwise provided.

**Not negotiable.** Cannot be transferred to any other person with the same rights as were held by the original owner.

**n.r.** Net register.

**n.r.a.d.** No risk after discharge.

**n.r.a.l.** No risk after landing.

**n.r.a.s.** No risk after shipment.

**Northern range.** The ports of Norfolk, Newport News, Baltimore, Philadelphia, New York, Boston, and Portland.

**n.t.** Net terms.

**o.a.** Over all.

**Open charter.** Charter-party whereby vessel may fix for any cargo and for any ports.

**p/a.** Particular average.

**P. & I.** Protection and indemnity.

**p.o.c.** Port of call.

**Peep.** Raised deck at stern of vessel.

**p.o.r.** Port of refuge.

**Portage bill.** The account of members of the crew of a steamer, giving particulars of wages, allowances, etc.

**Pratique.** The permit for a vessel to communicate with land after a clean bill of health has been produced, or quarantine restrictions have been observed.

**Prima facie.** At the first glance.

**Primage.** Percentage added to the freight and retained by the loading broker; recoverable in part or in all as rebate according to the regulations of the conference under which vessel is operating.

**Pro forma.** As a matter of form.

**Pro rata.** In the proportion to.

**r.d.** Running days.

**r.d.c.** Running down clause.

**Rebate.** Allowance or discount made.

**Sabotage.** Wilful destruction.

**Safe port.** Port where a vessel may lie without danger from physical or political interference.

**s.b.s.** Surveyed before shipment.

**Señtle.** To let water into a ship for the purpose of sinking.

**s.d.** Short delivery.

**Shipping note.** A receipt note giving particulars of goods forwarded to a dock for shipment.

**Spot.** Ready to load.

**std.** Standard.

**Stevedore.** Person who acts as a contractor for labour in loading or discharging vessels in port.

**Supercargo.** Person engaged on a vessel for the purpose of superintending the cargo, its disposal and care to the best advantage.

**Tallying.** The act of checking goods loaded on or discharged from a vessel.

**T. & p.** Theft and pilferage.

**T. & S.** Touch and stay.

**Tariff.** List of duties payable on goods. List of freight rates issued and agreed by a shipping conference.

**T.l.** Total loss.

**T.l.o.** Total loss only.

**Transshipment.** The removal of goods from one vessel to another, or carriage from port of discharge to a further destination.

**Tret.** Allowance for ordinary wear and tear or depreciation during a voyage.

**U.K.F.O.** United Kingdom for orders.

**Ullage.** Quantity a cask lacks of being full.

**Vice propre.** Inherent vice.

**W.b.** Water ballast.

**W.C.E.** West Coast of England.

**W.N.A.** Winter, North Atlantic.

**W.p.** Without prejudice.

**Y.A.R.** York-Antwerp Rules.

# APPENDIX A

## CARRIAGE OF GOODS BY SEA ACT, 1924

AN Act to amend the law with respect to the carriage of goods by sea.

WHEREAS at the International Conference on Maritime Law held at Brussels in October, 1922, the delegates at the Conference, including the delegates representing His Majesty, agreed unanimously to recommend their respective Governments to adopt as the basis of a convention a draft convention for the unification of certain rules relating to bills of lading :

And whereas at a meeting held at Brussels in October, 1923, the rules contained in the said draft convention were amended by the Committee appointed by the said Conference :

And whereas it is expedient that the said rules as so amended and as set out with modifications in the Schedule to this Act (in this Act referred to as "the Rules") should, subject to the provisions of this Act, be given the force of law with a view to establishing the responsibilities, liabilities, rights, and immunities attaching to carriers under bills of lading :

Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows—

1. Subject to the provisions of this Act, the Rules shall have effect in relation to and in connection with the carriage of goods by sea in ships carrying goods from any port in Great Britain or Northern Ireland to any other port whether in or outside Great Britain or Northern Ireland.

2. There shall not be implied in any contract for the carriage of goods by sea to which the Rules apply any absolute undertaking by the carrier of the goods to provide a seaworthy ship.

3. Every bill of lading, or similar document of title, issued in Great Britain or Northern Ireland which contains or is evidence of any contract to which the Rules apply shall contain an express statement that it is to have effect subject to the provisions of the said Rules as applied by this Act.

### MODIFICATION OF ART. VI RELATING TO COASTAL TRADE

4. Article VI of the Rules shall, in relation to the carriage of goods by sea in ships carrying goods from any port in Great Britain or Northern Ireland to any other port in Great Britain or Northern Ireland or to a port in the Irish Free State, have effect as though the said Article referred to goods of any class instead of to particular goods and as though the proviso to the second paragraph of the said Article were omitted.

MODIFICATION OF RULES 4 & 5 OF ART. III IN RELATION  
TO BULK CARGO

5. Where under the custom of any trade the weight of any bulk cargo inserted in the bill of lading is a weight ascertained or accepted by a third party other than the carrier or the shipper and the fact that the weight is so ascertained or accepted is stated in the bill of lading, then, notwithstanding anything in the Rules, the bill of lading shall not be deemed to be *prima facie* evidence against the carrier of the receipt of goods of the weight so inserted in the bill of lading, and the accuracy thereof at the time of shipment shall not be deemed to have been guaranteed by the shipper.

6. (1) This Act may be cited as the Carriage of Goods by Sea Act, 1924.

(2) Nothing in this Act shall affect the operation of sections four hundred and forty-six to four hundred and fifty, both inclusive, five hundred and two, and five hundred and three of the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or the operation of any other enactment for the time being in force limiting the liability of the owners of seagoing vessels.

(3) The Rules shall not by virtue of this Act apply to any contract for the carriage of goods by sea made before such day, not being earlier than the thirtieth day of June, nineteen hundred and twenty-four, as His Majesty may by Order in Council direct, nor to any bill of lading or similar document of title issued, whether before or after such day as aforesaid, in pursuance of any such contract as aforesaid.

## RULES RELATING TO BILLS OF LADING

*Article I. Definitions*

In these Rules the following expressions have the meanings hereby assigned to them respectively, that is to say—

(a) "Carrier" includes the owner or the charterer who enters into a contract of carriage with a shipper:

(b) "Contract of carriage" applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by sea, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter-party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same:

(c) "Goods" includes goods, wares, merchandises, and articles of every kind whatsoever, except live animals and cargo which by the contract of carriage is stated as being carried on deck and is so carried:

(d) "Ship" means any vessel used for the carriage of goods by sea:

(e) "Carriage of Goods" covers the period from the time when the goods are loaded on to the time when they are discharged from the ship.

### *Article II. Risks*

Subject to the provisions of Article VI, under every contract of carriage of goods by sea the carrier, in relation to the loading, handling, stowage, carriage, custody, care, and discharge of such goods, shall be subject to the responsibilities and liabilities, and entitled to the rights and immunities hereinafter set forth.

### *Article III. Responsibilities and Liabilities*

1. The carrier shall be bound, before and at the beginning of the voyage, to exercise due diligence to—

- (a) Make the ship seaworthy;
- (b) Properly man, equip, and supply the ship;
- (c) Make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage, and preservation.

2. Subject to the provisions of Article IV, the carrier shall properly and carefully load, handle, stow, carry, keep, care for and discharge the goods carried.

3. After receiving the goods into his charge, the carrier, or the master or agent of the carrier shall, on demand of the shipper, issue to the shipper a bill of lading showing among other things—

(a) The leading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage;

(b) Either the number of packages or pieces or the quantity, or weight, as the case may be, as furnished in writing by the shipper;

(c) The apparent order and condition of the goods:

Provided that no carrier, master or agent of the carrier, shall be bound to state or show in the bill of lading any marks, number, quantity or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received, or which he has had no reasonable means of checking.

4. Such a bill of lading shall be *prima facie* evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3 (a), (b), and (c).

5. The shipper shall be deemed to have guaranteed to the carrier the accuracy at the time of shipment of the marks, number, quantity, and weight, as furnished by him, and the

shipper shall indemnify the carrier against all loss, damages, and expenses arising or resulting from inaccuracies in such particulars. The right of the carrier to such indemnity shall in no way limit his responsibility and liability under the contract of carriage to any person other than the shipper.

6. Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage, or, if the loss or damage be not apparent, within three days, such removal shall be *prima facie* evidence of the delivery by the carrier of the goods as described in the bill of lading.

The notice in writing need not be given if the state of the goods has at the time of their receipt been the subject of joint survey or inspection.

In any event the carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods or the date when the goods should have been delivered.

In the case of any actual or apprehended loss or damage the carrier and the receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

7. After the goods are loaded the bill of lading to be issued by the carrier, master or agent of the carrier, to the shipper shall, if the shipper so demands, be a "shipped" bill of lading, provided that if the shipper shall have previously taken up any document of title to such goods, he shall surrender the same as against the issue of the "shipped" bill of lading, but at the option of the carrier such document of title may be noted at the port of shipment by the carrier, master, or agent with the name or names of the ship or ships upon which the goods have been shipped and the date or dates of shipment, and when so noted the same shall for the purpose of this Article be deemed to constitute a "shipped" bill of lading.

8. Any clause, covenant or agreement in a contract of carriage relieving the carrier or the ship from liability for loss or damage to or in connection with goods arising from negligence, fault or failure in the duties and obligations provided in this Article or lessening such liability otherwise than as provided in these Rules, shall be null and void and of no effect.

A benefit of insurance or similar clause shall be deemed to be a clause relieving the carrier from liability.

#### *Article IV. Rights and Immunities*

1. Neither the carrier nor the ship shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy, and to secure that the ship is properly manned, equipped and supplied, and to make the holds, refrigerating

and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception, carriage and preservation in accordance with the provisions of paragraph 1 of Article III.

Whenever loss or damage has resulted from unseaworthiness, the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this section.

2. Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from—

(a) Act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship;

(b) Fire, unless caused by the actual fault or privity of the carrier;

(c) Perils, dangers and accidents of the sea or other navigable waters;

(d) Act of God;

(e) Act of war;

(f) Act of public enemies;

(g) Arrest or restraint of princes, rulers or people, or seizure under legal process;

(h) Quarantine restrictions;

(i) Act or omission of the shipper or owner of the goods, his agent or representative;

(j) Strikes or lock-outs or stoppage or restraint of labour from whatever cause, whether partial or general;

(k) Riots and civil commotions;

(l) Saving or attempting to save life or property at sea;

(m) Wastage in bulk or weight or any other loss or damage arising from inherent defect, quality, or vice of the goods;

(n) Insufficiency of packing;

(o) Insufficiency or inadequacy of marks;

(p) Latent defects not discoverable by due diligence;

(q) Any other cause arising without the actual fault or privity of the carrier, or without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. The shipper shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault or neglect of the shipper, his agents or his servants.

4. Any deviation in saving or attempting to save life or property at sea, or any reasonable deviation shall not be deemed to be an infringement or breach of these Rules or of the contract of carriage, and the carrier shall not be liable for any loss or damage resulting therefrom.



5. Neither the carrier nor the ship shall in any event be or become liable for any loss or damage to or in connection with goods in an amount exceeding £100 per package or unit, or the equivalent of that sum in other currency, unless the nature and value of such goods have been declared by the shipper before shipment and inserted in the bill of lading.

This declaration if embodied in the bill of lading shall be *prima facie* evidence, but shall not be binding or conclusive on the carrier.

By agreement between the carrier, master or agent of the carrier and the shipper another maximum amount than that mentioned in this paragraph may be fixed, provided that such maximum shall not be less than the figure above named.

Neither the carrier nor the ship shall be responsible in any event for loss or damage to or in connection with goods if the nature or value thereof has been knowingly misstated by the shipper in the bill of lading.

6. Goods of an inflammable, explosive or dangerous nature to the shipment whereof the carrier, master or agent of the carrier, has not consented, with knowledge of their nature and character, may at any time before discharge be landed at any place or destroyed or rendered innocuous by the carrier without compensation, and the shipper of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment.

If any such goods shipped with such knowledge and consent shall become a danger to the ship or cargo, they may in like manner be landed at any place or destroyed or rendered innocuous by the carrier without liability on the part of the carrier except to general average, if any.

#### *Article V. Surrender of Rights and Immunities, and Increase of Responsibilities and Liabilities*

A carrier shall be at liberty to surrender in whole or in part all or any of his rights and immunities or to increase any of his responsibilities and liabilities under the Rules contained in any of these Articles, provided such surrender or increase shall be embodied in the bill of lading issued to the shipper.

The provisions of these Rules shall not be applicable to charter-parties, but if bills of lading are issued in the case of a ship under a charter-party they shall comply with the terms of these Rules. Nothing in these Rules shall be held to prevent the insertion in a bill of lading of any lawful provision regarding general average.

#### *Article VI. Special Conditions*

Notwithstanding the provisions of the preceding Articles, a carrier, master or agent of the carrier, and a shipper shall in regard to any particular goods be at liberty to enter into any agreement in any terms as to the responsibility and liability of

the carrier for such goods, and as to the rights and immunities of the carrier in respect of such goods, or his obligation as to seaworthiness, so far as this stipulation is not contrary to public policy, or the care or diligence of his servants or agents in regard to the loading, handling, stowage, carriage, custody, care, and discharge of the goods carried by sea, provided that in this case no bill of lading has been or shall be issued and that the terms agreed shall be embodied in a receipt which shall be a non-negotiable document and shall be marked as such.

Any agreement so entered into shall have full legal effect:

Provided that this Article shall not apply to ordinary commercial shipments made in the ordinary course of trade, but only to other shipments where the character or condition of the property to be carried or the circumstances, terms and conditions under which the carriage is to be performed, are such as reasonably to justify a special agreement.

*Article VII. Limitations on the Application of the Rules*

Nothing herein contained shall prevent a carrier or a shipper from entering into any agreement, stipulation, condition, reservation or exemption as to the responsibility and liability of the carrier or the ship for the loss or damage to or in connection with the custody and care and handling of goods prior to the loading on and subsequent to the discharge from the ship on which the goods are carried by sea.

*Article VIII. Limitation of Liability*

The provisions of these Rules shall not affect the rights and obligations of the carrier under any statute for the time being in force relating to the limitation of the liability of owners of seagoing vessels.

*Article IX*

The monetary units mentioned in these Rules are to be taken to be gold value.

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# APPENDIX B

## YORK-ANTWERP RULES

The Rules adopted at the Amsterdam Conference of the International MARITIME COMMITTEE, September, 1949, contrasted with the York-Antwerp Rules, 1924

York-Antwerp Rules, 1950

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York-Antwerp Rules, 1924

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### Rule of Interpretation

In the adjustment of general average the following lettered and numbered Rules shall apply to the exclusion of any Law and Practice inconsistent therewith.

Except as provided by the numbered Rules, general average shall be adjusted according to the lettered Rules.

### Rule A

There is a general average act when, and only when, any extraordinary sacrifice or expenditure is intentionally and reasonably made or incurred for the common safety for the purpose of preserving from peril the property involved in a common maritime adventure.

Rule A—Same

### Rule B

General average sacrifices and expenses shall be borne by the different contributing interests on the basis hereinafter provided.

Rule B—Same

### Rule C

Only such losses, damages or expenses which are the direct consequence of the general average act shall be allowed as general average.

Loss or damage sustained by the ship or cargo through delay, whether on the voyage or subsequently, such as demurrage, and any indirect loss whatsoever, such as loss of market, shall not be admitted as general average.

### Rule C

Only such damages, losses or expenses which are the direct consequence of the general average act shall be allowed as general average.

Damage or loss sustained by the ship or cargo through delay on the voyage, and indirect loss from the same cause, such as demurrage and loss of market, shall not be admitted as general average.

### Rule D

Rights to contribution in general average shall not be affected, though the event which gave rise to the sacrifice or expenditure may have

Rule D—Same

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been due to the fault of one of the parties to the adventure; but this shall not prejudice any remedies which may be open against that party for such fault.

**Rule E**

The onus of proof is upon the party claiming in general average to show that the loss or expense claimed is properly allowable as general average.

**Rule F**

Any extra expense incurred in place of another expense which would have been allowable as general average shall be deemed to be general average and so allowed without regard to the saving, if any, to other interests, but only up to the amount of the general average expense avoided.

**Rule G**

General average shall be adjusted as regards both loss and contribution upon the basis of values at the time and place when and where the adventure ends.

This rule shall not affect the determination of the place at which the average statement is to be made up.

**Rule L—Jettison of Cargo**

No jettison of cargo shall be made good as general average, unless such cargo is carried in accordance with the recognized custom of the trade.

**Rule II.—Damage by Jettison and Sacrifice for the Common Safety**

Damage done to a ship and cargo, or either of them, by or in consequence of a sacrifice made for the common safety, and by water which goes down a ship's hatches opened or other opening made for the purpose of making a jettison for the common safety, shall be made good as general average.

**Rule III.—Extinguishing Fire on Shipboard**

Damage done to a ship and cargo, or either of them, by water or otherwise, including damage by beaching or scuttling a burning ship, in extinguishing a fire on board the ship,

**Rule E—Same****Rule F**

Any extra expense incurred in place of another expense which would have been allowable as general average shall be deemed to be general average and so allowed, but only up to the amount of the general average expense avoided.

**Rule G—Same****Rule I.—Same****Rule II.—Same****Rule III.—Same**

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shall be made good as general average; except that no compensation shall be made for damage to such portions of the ship and bulk cargo, or to such separate packages of cargo, as have been on fire.

**Rule IV.—Cutting away Wreck**

Loss or damage caused by cutting away the wreck or remains of spars, or of other things which have previously been carried away by sea-peril, shall not be made good as general average.

**Rule V.—Voluntary Stranding**

When a ship is intentionally run on shore, and the circumstances are such that if that course were not adopted she would inevitably drive on shore or on rocks, no loss or damage caused to the ship, cargo and freight or any of them by such intentional running on shore shall be made good as general average, but loss or damage incurred in refloating such a ship shall be allowed as general average.

In all other cases where a ship is intentionally run on shore for the common safety, the consequent loss or damage shall be allowed as general average.

**Rule VI.—Carrying Press of Sail—Damage to or Loss of Sails**

Damage to or loss of sails and spars, or either of them, caused by forcing a ship off the ground or by driving her higher up the ground for the common safety, shall be made good as general average; but where a ship is afloat, no loss or damage caused to the ship, cargo and freight, or any of them, by carrying a press of sail, shall be made good as general average.

**Rule VII.—Damage to Machinery and Boilers**

Damage caused to machinery and boilers of a ship which is ashore and in a position of peril, in endeavouring to refloat, shall be allowed in general average when shown to have arisen from an actual intention to float the ship for the common safety at the risk of such damage; but where a ship

**Rule IV.—Same****Rule V.—Voluntary Stranding**

When a ship is intentionally run on shore, and the circumstances are such that if that course were not adopted she would inevitably drive on shore or on rocks, no loss or damage caused to the ship, cargo and freight or any of them by such intentional running on shore shall be made good as general average. But in all other cases where a ship is intentionally run on shore for the common safety, the consequent loss or damage shall be allowed as general average.

**Rule VI.—Same****Rule VII.—Damage to Engines in Refloating a Ship**

Damage caused to machinery and boilers of a ship, which is ashore and in a position of peril, in endeavouring to refloat, shall be allowed in general average, when shown to have arisen from an actual intention to float the ship for the common safety at the risk of such damage; but where a ship is afloat no loss

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is afloat no loss or damage caused by working the machinery and boilers, including loss or damage due to compounding of engines or such measures, shall in any circumstances be made good as general average.

**Rule VIII.—Expenses Lightening a Ship when Ashore, and Consequent Damage**

When a ship is ashore and cargo and ship's fuel and stores or any of them are discharged as a general average act the extra cost of lightening, lighter hire and re-shipping (if incurred), and the loss or damage sustained thereby, shall be admitted as general average.

**Rule IX.—Ship's Materials and Stores Burnt for Fuel**

Ship's materials and stores, or any of them, necessarily burnt for fuel for the common safety at a time of peril, shall be admitted as general average, when and only when an ample supply of fuel had been provided; but the estimated quantity of fuel that would have been consumed, calculated at the price current at the ship's last port of departure at the date of her leaving, shall be credited to the general average.

**Rule X (a).—Expenses at Port of Refuge, etc.**

When a ship shall have entered a port or place of refuge, or shall have returned to her port or place of loading in consequence of accident, sacrifice or other extraordinary circumstances, which render that necessary for the common safety, the expenses of entering such port or place shall be admitted as general average; and when she shall have sailed thence with her original cargo, or part of it, the corresponding expenses of leaving such port or place consequent upon such entry or return shall likewise be admitted as general average.

When a ship is at any port or place of refuge and is necessarily removed to another port or place because repairs cannot be carried out in the first port or place, the

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or damage caused by working the machinery and boilers shall be made good as general average.

**Rule VIII.—Same**

**Rule IX.—Same**

**RULE X (a).—Expenses at Port of Refuge, etc.**

When a ship shall have entered a port or place of refuge, or shall have returned to her port or place of loading, in consequence of accident, sacrifice or other extraordinary circumstances, which render that necessary for the common safety, the expenses of entering such port or place shall be admitted as general average; and when she shall have sailed thence with her original cargo or a part of it, the corresponding expenses of leaving such port or place consequent upon such entry or return shall likewise be admitted as general average.

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provisions of this Rule shall be applied to the second port or place as if it were a port or place of refuge. The provisions of Rule XI shall be applied to the prolongation of the voyage occasioned by such removal.

**Rule X (b).**—The cost of handling on board or discharging cargo, fuel or stores, whether at a port or place of loading, call or refuge, shall be admitted as general average when the handling or discharge was necessary for the common safety or to enable damage to the ship caused by sacrifice or accident to be repaired, if the repairs were necessary for the safe prosecution of the voyage.

**Rule X (c).**—Whenever the cost of handling or discharging cargo, fuel or stores is admissible as general average, the cost of reloading and stowing such cargo, fuel or stores on board the ship, together with all storage charges (including fire insurance, if incurred) on such cargo, fuel or stores, shall likewise be so admitted. But when the ship is condemned or does not proceed on her original voyage, no storage expenses incurred after the date of the ship's condemnation or of the abandonment of the voyage shall be admitted as general average. In the event of the condemnation of the ship or the abandonment of the voyage before completion of discharge of cargo, storage expenses as above shall be admitted as general average up to date of completion of discharge.

**Rule X (d).**—If a ship under average be in a port or place at which it is practicable to repair her, so as to enable her to carry on the whole cargo, and if, in order to save expenses, either she is towed thence to some other port or place of repair or to her destination, or the cargo or a portion of it is transhipped by another ship, or otherwise forwarded, then the extra cost of such towage, transhipment and forwarding, or any of them (up to the amount of the extra expense saved) shall be payable by the several parties to the adventure in proportion to the extraordinary expense saved.

**Rule X (b).**—Same

**Rule X (c).**—Same

**Rule X (d).**—Same

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**Rule XI.—Wages and Maintenance of Crew and other Expenses bearing up for and in a Port of Refuge, etc.**

(a) Wages and maintenance of master, officers and crew reasonably incurred and fuel and stores consumed during the prolongation of the voyage occasioned by a ship entering a port or place of refuge or returning to her port or place of loading shall be admitted as general average when the expenses of entering such port or place are allowable in general average in accordance with Rule X (a).

(b) When a ship shall have entered or been detained in any port or place in consequence of accident, sacrifice or other extraordinary circumstances which render that necessary for the common safety, or to enable damage to the ship caused by sacrifice or accident to be repaired, if the repairs were necessary for the safe prosecution of the voyage, the wages and maintenance of the master, officers and crew reasonably incurred during the extra period of detention in such port or place until the ship shall or should have been made ready to proceed upon her voyage, shall be admitted in general average. When the ship is condemned or does not proceed on her original voyage, the extra period of detention shall be deemed not to extend beyond the date of the ship's condemnation or of the abandonment of the voyage or, if discharge of cargo is not then completed, beyond the date of completion of discharge.

Fuel and stores consumed during the extra period of detention shall be admitted as general average, except such fuel and stores as are consumed in effecting repairs not allowable in general average.

Port charges incurred during the extra period of detention shall likewise be admitted as general average except such charges as are incurred solely by reason of repairs not allowable in general average.

(c) For the purpose of this and the other Rules wages shall include all payments made to or for the benefit of the master, officers and crew, whether such payments be imposed

**Rule XX (Part).—Expenses Bearing up for Port, etc.**

Fuel and stores consumed, and wages and maintenance of master, officers and crew incurred, during the prolongation of the voyage occasioned by a ship entering a port or place of refuge or returning to her port or place of loading shall be admitted as general average when the expenses of entering such port or place are allowable in general average in accordance with Rule X (a).

**Rule XI.—Wages and Maintenance of Crew in Port of Refuge, etc.**

When a ship shall have entered or been detained in any port or place under the circumstances, or for the purposes of repairs mentioned in Rule X, the wages payable to the master, officers and crew, together with the cost of maintenance of the same, during the extra period of detention in such port or place until the ship shall or should have been made ready to proceed upon her voyage, shall be admitted as general average. But when the ship is condemned or does not proceed on her original voyage, the wages and maintenance of the master, officers and crew, incurred after the date of the ship's condemnation or of the abandonment of the voyage, shall not be admitted as general average. In the event of the condemnation of the ship or the abandonment of the voyage before completion of discharge of cargo wages and maintenance of crew, as above, shall be admitted as general average up to the date of completion of discharge.

**Rule XX (Part)**

Fuel and stores consumed during extra detention in a port or place of loading, call or refuge shall also be allowed in general average for the period during which wages and maintenance of master, officers and crew are allowed in terms of Rule XI, except such fuel and stores as are consumed in effecting repairs not allowable in general average.



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by law upon the shipowners or be made under the terms or articles of employment.

(d) When overtime is paid to the master, officers or crew for maintenance of the ship or repairs, the cost of which is not allowable in general average, such overtime shall be allowed in general average only up to the saving in expense which would have been incurred and admitted as general average, had such overtime not been incurred.

**Rule XII.—Damage to Cargo in Discharging, etc.**

Damage to or loss of cargo, fuel or stores caused in the act of handling, discharging, storing, reloading and stowing shall be made good as general average, when and only when the cost of those measures respectively is admitted as general average.

**Rule XII.—Same**

**Rule XIII.—Deductions from Cost of Repairs**

In adjusting claims for general average, repairs to be allowed in general average shall be subject to deductions in respect of "new for old" according to the following rules, where old material or parts are replaced by new.

The deductions to be regulated by the age of the ship from date of original register to the date of accident, except for provisions and stores, insulation, life- and similar boats, gyro compass equipment, wireless, direction finding, echo sounding and similar apparatus, machinery and boilers for which the deductions shall be regulated by the age of the particular parts to which they apply.

No deduction to be made in respect of provisions, stores and gear which have not been in use.

The deductions shall be made from the cost of new material or parts, including labour and establishment charges, but excluding cost of opening up.

Drydock and slipway dues and costs of shifting the ship shall be allowed in full.

No cleaning and painting of

**Rule XIII.—Deductions from Cost of Repairs**

In adjusting claims for general average, repairs to be allowed in general average shall be subject to the following deductions in respect of "new for old," viz.:

In the case of iron or steel ships from date of original register to the date of accident.

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bottom to be allowed, if the bottom has not been painted within six months previous to the date of the accident.

**A.—UP TO 1 YEAR OLD.**

All repairs to be allowed in full, except scaling and cleaning and painting or coating of bottom, from which one-third is to be deducted.

**B.—BETWEEN 1 AND 3 YEARS OLD.**

Deduction off scaling, cleaning and painting bottom as above under Clause A.

One-third to be deducted off sails, rigging, ropes, sheets and hawsers (other than wire and chain), awnings, covers, provisions and stores and painting.

One-sixth to be deducted off woodwork of hull, including hold ceiling, wooden masts, spars and boats, furniture, upholstery, crockery, metal- and glass-ware, wire rigging, wire ropes and wire hawsers, gyro compass equipment, wireless, direction finding, echo sounding and similar apparatus, chain cables and chains, insulation, auxiliary machinery, steering gear and connections, winches and cranes and connections and electrical machinery and connections other than electrical propelling machinery; other repairs to be allowed in full.

Metal sheathing for wooden or composite ships shall be dealt with by allowing in full the cost of a weight equal to the gross weight of metal sheathing stripped off, minus the proceeds of the old metal. Nails, felt and labour metalling are subject to a deduction of one-third.

**C.—BETWEEN 3 AND 6 YEARS.**

Deductions as above under Clause B, except that one-third be deducted off wood work of hull including hold ceiling, wooden masts, spars and boats, furniture, upholstery, and one-sixth be deducted off iron work of masts and spars and all machinery (inclusive of boilers and their mountings).

**D.—BETWEEN 6 AND 10 YEARS**

Deductions as above under Clause C, except that one-third be deducted off all rigging, ropes,

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**Up to 1 year old (A):**

All repairs to be allowed in full, except painting or coating of bottom, from which one-third is to be deducted.

**Between 1 and 3 years (B):**

One-third to be deducted off repairs to and renewals of woodwork of hull, masts and spars, furniture, upholstery, crockery, metal and glassware, also sails, rigging, ropes, sheets and hawsers (other than wire and chain), awnings, covers and painting.

One-sixth to be deducted off wire rigging, wire ropes and wire hawsers, wireless apparatus, chain cables and chains, insulation, donkey engines, steam steering gear and connections, steam winches and connections, steam cranes and connections and electrical machinery; other repairs in full.

**Between 3 and 6 years (C):**

Deductions as above under Clause B, except that one-third be deducted off insulation, and one-sixth be deducted off ironwork of masts and spars, and all machinery (inclusive of boilers and their mountings).

**Between 6 and 10 years (D):**

Deductions as above under Clause C, except that one-third be deducted off ironwork of masts

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by law upon the shipowners or be made under the terms or articles of employment.

(d) When overtime is paid to the master, officers or crew for maintenance of the ship or repairs, the cost of which is not allowable in general average, such overtime shall be allowed in general average only up to the saving in expense which would have been incurred and admitted as general average, had such overtime not been incurred.

**Rule XII.—Damage to Cargo in Discharging, etc.**

Damage to or loss of cargo, fuel or stores caused in the act of handling, discharging, storing, reloading and stowing shall be made good as general average, when and only when the cost of those measures respectively is admitted as general average.

**Rule XII.—Same**

**Rule XIII.—Deductions from Cost of Repairs**

In adjusting claims for general average, repairs to be allowed in general average shall be subject to deductions in respect of "new for old" according to the following rules, where old material or parts are replaced by new.

The deductions to be regulated by the age of the ship from date of original register to the date of accident, except for provisions and stores, insulation, life- and similar boats, gyro compass equipment, wireless, direction finding, echo sounding and similar apparatus, machinery and boilers for which the deductions shall be regulated by the age of the particular parts to which they apply.

No deduction to be made in respect of provisions, stores and gear which have not been in use.

The deductions shall be made from the cost of new material or parts, including labour and establishment charges, but excluding cost of opening up.

Drydock and slipway dues and costs of shifting the ship shall be allowed in full.

No cleaning and painting of

**Rule XIII.—Deductions from Cost of Repairs**

In adjusting claims for general average, repairs to be allowed in general average shall be subject to the following deductions in respect of "new for old," viz.:

In the case of iron or steel ships from date of original register to the date of accident.

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ottom to be allowed, if the bottom as not been painted within six months previous to the date of the accident.

**A.—UP TO 1 YEAR OLD.**

All repairs to be allowed in full, except scaling and cleaning and painting or coating of bottom, from which one-third is to be deducted.

**3.—BETWEEN 1 AND 3 YEARS OLD.**

Deduction off scaling, cleaning and painting bottom as above under Clause A.

One-third to be deducted off sails, rigging, ropes, sheets and hawsers (other than wire and chain), awnings, covers, provisions and stores and painting.

One-sixth to be deducted off woodwork of hull, including hold ceiling, wooden masts, spars and boats, furniture, upholstery, crockery, metal- and glass-ware, wire rigging, wire ropes and wire hawsers, gyro compass equipment, wireless, direction finding, echo sounding and similar apparatus, chain cables and chains, insulation, auxiliary machinery, steering gear and connections, winches and cranes and connections and electrical machinery and connections other than electrical propelling machinery; other repairs to be allowed in full.

Metal sheathing for wooden or composite ships shall be dealt with by allowing in full the cost of a weight equal to the gross weight of metal sheathing stripped off, minus the proceeds of the old metal. Nails, felt and labour metalling are subject to a deduction of one-third.

**C.—BETWEEN 3 AND 6 YEARS.**

Deductions as above under Clause B, except that one-third be deducted off wood work of hull including hold ceiling, wooden masts, spars and boats, furniture, upholstery, and one-sixth be deducted off iron work of masts and spars and all machinery (inclusive of boilers and their mountings).

**D.—BETWEEN 6 AND 10 YEARS**

Deductions as above under Clause C, except that one-third be deducted off all rigging, ropes,

**Up to 1 year old (A):**

All repairs to be allowed in full, except painting or coating of bottom, from which one-third is to be deducted.

**Between 1 and 3 years (B):**

One-third to be deducted off repairs to and renewals of woodwork of hull, masts and spars, furniture, upholstery, crockery, metal and glassware, also sails, rigging, ropes, sheets and hawsers (other than wire and chain), awnings, covers and painting.

One-sixth to be deducted off wire rigging, wire ropes and wire hawsers, wireless apparatus, chain cables and chains, insulation, donkey engines, steam steering gear and connections, steam winches and connections, steam cranes and connections and electrical machinery; other repairs in full.

**Between 3 and 6 years (C):**

Deductions as above under Clause B, except that one-third be deducted off insulation, and one-sixth be deducted off ironwork of masts and spars, and all machinery (inclusive of boilers and their mountings).

**Between 6 and 10 years (D):**

Deductions as above under Clause C, except that one-third be deducted off ironwork of masts

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sheets, and hawsers, iron work of masts and spars, gyro compass-equipment, wireless, direction finding, echo sounding and similar apparatus, insulation, auxiliary machinery, steering gear, winches, cranes and connections and all other machinery (inclusive of boilers and their mountings).

## E.—BETWEEN 10 AND 15 YEARS.

One-third to be deducted off all renewals, except iron work of hull and cementing and chain cables, from which one-sixth to be deducted, and anchors, which are allowed in full.

## F.—OVER 15 YEARS.

One-third to be deducted off all renewals, except chain cables, from which one-sixth to be deducted, and anchors, which are allowed in full.

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and spars, donkey engines, steam steering gear, winches, cranes and connections, repairs to and renewal of all machinery (inclusive of boilers and their mountings), wireless apparatus and all hawsers, ropes, sheets and rigging.

## Between 10 and 15 years (E):

One-third to be deducted off all repairs and renewals except iron-work of hull and cementing and chain cables, from which one-sixth to be deducted. Anchors to be allowed in full.

## Over 15 years (F):

One-third to be deducted off all repairs and renewals. Anchors to be allowed in full. One-sixth to be deducted off chain cables.

## Generally (G):

The deductions (except as to provisions and stores, insulation, wireless apparatus, machinery and boilers) to be regulated by the age of the ship, and not the age of the particular part of her to which they apply. No painting bottom to be allowed if the bottom has not been painted within six months previous to the date of the accident. No deduction to be made in respect of old material which is repaired without being replaced by new, and provisions, stores and gear which have not been in use.

In the case of wooden or composite ships:

When a ship is under one year old from date of original register at the time of accident, no deduction new for old shall be made. After that period a deduction of one-third shall be made, with the following exceptions:

Anchors shall be allowed in full. Chain cables shall be subject to a deduction of one-sixth only.

No deduction shall be made in respect of provisions and stores which had not been in use.

Metal sheathing shall be dealt with by allowing in full the cost of a weight equal to the gross weight of metal sheathing stripped

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**Rule XIV. Temporary Repairs.**

Where temporary repairs are effected to a ship at a port of loading call or refuge, for the common safety, or of damage caused by general average sacrifice, the cost of such repairs shall be admitted as general average.

Where temporary repairs of accidental damage are effected merely to enable the adventure to be completed, the cost of such repairs shall be admitted as general average without regard to the saving, if any, to other interests, but only up to the saving, in expense which would have been incurred and allowed in general average if such repairs had not been effected there.

No deductions "new for old" shall be made from the cost of temporary repairs allowable as general average.

**Rule XV.—Loss of Freight**

Loss of freight arising from damage to or loss of cargo shall be made good as general average, either when caused by a general average act, or when the damage to or loss of cargo is so made good.

Deduction shall be made from the amount of gross freight lost, of the charges which the owner thereof would have incurred to earn such freight, but has, in consequence of the sacrifice, not incurred.

off, minus the proceeds of the old metal. Nails, felt, and labour metalling are subject to a deduction of one-third.

When a ship is fitted with propelling, refrigerating, electrical or other machinery, or with insulation, or with wireless apparatus, repairs to such machinery, insulation or wireless apparatus to be subject to the same deductions as in the case of iron or steel ships.

In the case of ships generally:

In the case of all ships, the expense of straightening bent iron-work, including labour of taking out and replacing it, shall be allowed in full.

Graving dock dues, including expenses of removals, cartage, use of shears, stages, and graving dock materials, shall be allowed in full.

**Rule XIV.—Temporary Repairs**

Where temporary repairs are effected to a ship at a port of loading, call or refuge, for the common safety, or of damage caused by general average sacrifice, the cost of such repairs shall be admitted as general average; but where temporary repairs of accidental damage are effected merely to enable the adventure to be completed, the cost of such repairs shall be admitted as general average only up to the saving in expense which would have been incurred and allowed in general average had such repairs not been effected there.

No deductions "new for old" shall be made from the cost of temporary repairs allowable as general average.

**Rule XV.—Same**

## York-Antwerp Rules, 1950

**Rule XVI. Amount to be made good for Cargo Lost or Damaged by Sacrifice.**

The amount to be made good as general average for damage to or loss of goods sacrificed shall be the loss which the owner of the goods has sustained thereby, based on the market values at the last day of discharge of the vessel or at the termination of the adventure where this ends at a place other than the original destination.

Where goods so damaged are sold and the amount of the damage has not been otherwise agreed, the loss to be made good in general average shall be the difference between the net proceeds of sale and the net sound value at the last day of discharge of the vessel or at the termination of the adventure where this ends at a place other than the original destination.

**Rule XVII.—Contributory Values**

The contribution to a general average shall be made upon the actual net values of the property at the termination of the adventure, to which values shall be added the amount made good as general average for property sacrificed, if not already included, deduction being made from the shipowner's freight and passage money at risk, of such charges and crew's wages as would not have been incurred in earning the freight had the ship and cargo been totally lost at the date of the general average act and have not been allowed as general average; deduction being also made from the value of the property of all charges incurred in respect thereof subsequently to the general average act, except such charges as are allowed in general average.

Passengers' luggage and personal effects not shipped under bill of lading, shall not contribute in general average.

**Rule XVIII. Damage to Ship.**

The amount to be allowed as general average for damage or loss to the ship, her machinery and/or gear when repaired or replaced shall be the actual reasonable cost

## York-Antwerp Rules, 1924

**Rule XVI.—Amount to be made good for Cargo Lost or Damaged by Sacrifice**

The amount to be made good as general average for damage to or loss of goods sacrificed shall be the loss which the owner of the goods has sustained thereby, based on the market values at the date of the arrival of the vessel or at the termination of the adventure where this ends at a place other than the original destination.

Where goods so damaged are sold after arrival, the loss to be made good in general average shall be calculated by applying to the sound value on the date of arrival of the vessel the percentage of loss resulting from a comparison of the proceeds with the sound value on date of sale.

**Rule XVII.—Same****Rule XVIII.—Damage to Ship**

The amount to be allowed as general average for damage or loss to the ship, her machinery and/or gear when repaired or replaced shall be the actual reasonable cost

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of repairing or replacing such damage or loss, subject to deduction in accordance with Rule XIII. When not repaired, the reasonable depreciation shall be allowed, not exceeding the estimated cost of repairs.

Where there is an actual or constructive total loss of the ship the amount to be allowed as general average for damage or loss to the ship caused by a general average act shall be the estimated sound value of the ship after deducting therefrom the estimated cost of repairing damage which is not general average and the proceeds of sale, if any.

**Rule XIX.—Undeclared or Wrongfully Declared Cargo**

Damage or loss caused to goods loaded without the knowledge of the shipowner or his agent or to goods wilfully misdescribed at time of shipment shall not be allowed as general average, but such goods shall remain liable to contribute, if saved.

Damage or loss caused to goods which have been wrongfully declared on shipment at a value which is lower than their real value shall be contributed for at the declared value, but such goods shall contribute upon their actual value.

**Rule XX. Provision of Funds**

A commission of 2 per cent on general average disbursements, other than the wages and maintenance of master, officers and crew and fuel and stores not replaced during the voyage, shall be allowed in general average, but when the funds are not provided by any of the contributing interests, the necessary cost of obtaining the funds required by means of a bottomry bond or otherwise, or the loss sustained by owners of goods sold for the purpose, shall be allowed in general average.

The cost of insuring money advanced to pay for general average disbursements shall also be allowed in general average.

11—(B.2123)

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of repairing or replacing such damage or loss, deductions being made as above (Rule XIII) when old material is replaced by new. When not repaired, the reasonable depreciation shall be allowed, not exceeding the estimated cost of repairs.

Where there is an actual or constructive total loss of the ship the amount to be allowed as general average for damage or loss to the ship caused by a general average act shall be the estimated sound value of the ship after deducting therefrom the estimated cost of repairing damage which is not general average and the proceeds of sale, if any.

**Rule XIX.—Same****Rule XXI.—Provision of Funds**

A commission of 2 per cent on general average disbursement shall be allowed in general average, but when the funds are not provided by any of the contributing interests, the necessary cost of obtaining the funds required by means of a bottomry bond or otherwise, or the loss sustained by owners of goods sold for the purpose, shall be allowed in general average.

The cost of insuring money advanced to pay for general average disbursements shall also be allowed in general average.



## York-Antwerp Rules, 1950

**Rule XXI. Interest on Losses made good in General Average**

Interest shall be allowed on expenditure, sacrifices and allowances charged to general average at the rate of 5 per cent per annum, until the date of the general average statement, due allowance being made for any interim reimbursement from the contributory interests or from the general average deposit fund.

**Rule XXII. Treatment of Cash Deposits**

Where cash deposits have been collected in respect of cargo's liability for general average, salvage or special charges, such deposits shall be paid without any delay into a special account in the joint names of a representative nominated on behalf of the shipowner and a representative nominated on behalf of the depositors in a bank to be approved by both. The sum so deposited, together with accrued interest, if any, shall be held as security for payment to the parties entitled thereto of the general average, salvage or special charges payable by cargo in respect to which the deposits have been collected. Payments on account or refunds of deposits may be made if certified to in writing by the average adjuster. Such deposits and payments or refunds shall be without prejudice to the ultimate liability of the parties.

## York-Antwerp Rules, 1924

**Rule XXII.—Interest on Losses made good in General Average**

Interest shall be allowed on expenditure, sacrifices and allowances charged to general average at the legal rate per annum prevailing at the final port of destination at which the adventure ends, or where there is no recognized legal rate, at the rate of 5 per cent per annum, until the date of the general average statement, due allowance being made for any interim reimbursement from the contributory interests or from the general average deposit fund.

**Rule XXIII.—Treatment of Cash Deposits**

Where cash deposits have been collected in respect of cargo's liability for general average, salvage or special charges, such deposits shall be paid into a special account, earning interest where possible, in the joint names of two trustees (one to be nominated on behalf of the shipowner and the other on behalf of the depositors) in a bank to be approved by such trustees. The sum so deposited, together with accrued interest, if any, shall be held as security for and upon trust for payment to the parties entitled thereto of the general average, salvage or special charges payable by the cargo in respect of which the deposits have been collected. The trustees shall have power to make payments on account or refunds of deposits which may be certified to in writing by the average adjuster. Such deposits and payment or refunds shall be without prejudice to the ultimate liability of the parties.

# APPENDIX C

## LLOYD'S BOTTOMRY BOND

THE following is the form of Lloyd's Bottomry Bond—

KNOW ALL MEN BY THESE PRESENTS

that I

Master of the Ship

of the Port of

of the burthen of

tons or thereabouts, am held

and firmly bound unto

of

in the sum of

sterling British money, to be repaid to the said  
his agent, attorney, executors, adminis-  
trators, or assigns, for which payment I bind  
myself, my heirs, executors, and administrators,  
and also bind and hypothecate the said ship and  
the freight to become due in respect of the  
voyage after-mentioned and the cargo laden or  
to be laden on the said voyage firmly by these  
Presents sealed with my seal. Dated this

day of

19

This recital  
should be  
varied  
according to  
the facts.

WHEREAS the said ship lately arrived at  
in distress, having sustained damages in the course  
of a voyage from to

laden with and being in want of  
repairs, supplies, and provisions to enable her to  
continue her said voyage: AND WHEREAS the said

being without funds or credit  
at and urgently requiring the sum  
of to

pay for the said repairs, supplies, and provisions,  
and to discharge the lawful and necessary disburse-  
ments of the ship at

and to release her from her liabilities, and to enable  
her to continue her voyage, and having first duly  
communicated or attempted to communicate with  
the owners of the said ship and of the said cargo  
with a view to obtain funds from them, was com-  
pelled to apply or a loan upon bottomry of his

ship, her cargo and freight: AND WHEREAS the said

who is herein-  
after called the said lender, proposed and agreed to advance upon such security the same sum of

at a maritime premium of  
per cent for the said voyage, and the said  
being unable to procure such  
advance in any quarter on more advantageous  
terms, accepted the said proposal [with the inter-  
vention and approval of the proper authorities at  
], and agreed so far as he lawfully  
could or might that the said security should have  
priority over all other claims of the said ship,  
freight, and goods, whether by himself or any other  
person: AND WHEREAS the said lender has duly  
advanced the said sum in pursuance of the said  
agreement. NOW THE CONDITION of the above  
obligation is such that if the said

do with the said ship and cargo duly  
prosecute the said voyage without unnecessary  
delay or deviation and do within days  
after the arrival of the said ship or cargo at

and before  
commencing to discharge or deliver her cargo there,  
pay or cause to be paid to the said lender or to his  
order or assigns the said sum of  
together with maritime premium thereon at the  
rate aforesaid, making in all the sum of

such payment to be made at the  
exchange of

for every British pound sterling or if the said ship  
with the said cargo shall duly prosecute her said  
voyage without unnecessary delay or deviation,  
and shall be by perils of the sea lost in the course of  
such voyage, then his obligation shall be null and  
void, and the said shall be

released from all liability in respect of the said  
sum of

PROVIDED ALWAYS,  
and it is hereby agreed and declared that if the  
said ship shall by perils of the sea as aforesaid be  
lost or so much damaged as to be unable to com-  
plete her said voyage, then if any part of the said  
ship or cargo or of the said freight shall be saved  
or earned, the above security, so far as regards  
the property saved or freight earned shall remain  
in force, and the said lender or his assigns shall be  
at liberty forthwith to enforce the same against  
such property and freight: PROVIDED ALSO, and  
the said loan is made on the express condition, that  
the said lender doth not accept or take upon himself  
any risk or liability on the said voyage except such

as is hereby expressly mentioned, and shall not be liable to contribute to or make good any general or particular average loss or expenditure or other charges of a like nature which may happen to or be sustained by or incurred in respect of the said ship or her cargo or freight upon the said voyage in consequence of perils of the sea or otherwise. Signed, sealed, and delivered by the said in the presence of

## APPENDIX D

### LLOYD'S RESPONDENTIA BOND

THE following is the form of Lloyd's Respondentia Bond—

KNOW ALL MEN BY THESE PRESENTS

that I (<sup>The Master of the original Ship or other person having</sup>  
charge of the cargo and intending to forward it )  
of  
am held and firmly bound unto (the lender)  
of in the sum of  
sterling British money, to be repaid to the  
said  
his agent, attorney, executors, administrators,  
or assigns, for which payment I bind myself, my  
heirs, executors, and administrators, and also  
bind and hypothecate the cargo of  
laden or to be laden on board the ship (<sup>Forwarding</sup>  
Ship)  
for the voyage aforementioned firmly by these  
presents.

Sealed with my seal

day of

Dated this

19

This recita  
should be  
varied  
according to  
the facts.

WHEREAS the Ship (<sup>Original</sup>  
Ship)

lately arrived at

in distress in the course of a voyage from

to

with the

above-named cargo, and the said vessel being  
found incapable of carrying on the said cargo the

said (<sup>the Master of the original ship or other</sup>  
person having charge of the cargo )

determined in the interest of all parties concerned  
to forward the said cargo to its destination in the  
ship (<sup>Forwarding</sup>  
Ship)

(a) And/or  
 "to dis-  
 "charge  
 "certain  
 "liabilities  
 "in respect  
 "of which  
 "the said  
 "Cargo was  
 "subject to  
 "liens and  
 "to arrest  
 "and sale.

AND WHEREAS in order that the said cargo might be so forwarded it became necessary to provide funds to meet the expenses of discharging warehousing and reshipping the said cargo and other necessary disbursements on account of the said cargo (a)

AND WHEREAS the said being without funds or credit at and urgently requiring the sum of for the said purposes, and having first duly communicated with or attempted to communicate with the owners of the said cargo with a view to obtain funds from them, was compelled to apply for a loan upon respondentia: AND WHEREAS the said who is hereinafter called the said lender proposed and agreed to advance upon such security the said sum of at a maritime premium of

per cent for the said voyage, and the said being unable to procure such advance on more advantageous terms accepted the said proposal [with the intervention and approval of the proper authorities at ]

and agreed so far as he lawfully could or might that the said security should have priority over all other claims upon the said cargo, whether by himself or any other person: AND WHEREAS the said lender has duly advanced the said sum in pursuance of the said agreement: NOW THE CONDITION of the above obligation is such that if the said

do use his best endeavours to forward or bring the said cargo to its destination without unnecessary delay or deviation, and do within days after the arrival of the said cargo at

and before the discharge or delivery of the said cargo shall be commenced, well and truly pay or cause to be paid to the said lender or to his order or assigns the said sum of together with the maritime premium thereon at the rate aforesaid, making in all the sum of

such payment to be made at the exchange of for every British pound sterling,

or if the said cargo shall be duly dispatched and forwarded on the said voyage without unnecessary delay or deviation, and the said cargo shall by perils of the sea be lost in the course of such voyage. Then the above-written obligation shall be null and void and the said

shall be released from all liability in respect of the said sum of

PROVIDED ALWAYS and it is hereby agreed and declared that if the said cargo shall in the course

of the said voyage by perils of the sea as aforesaid be lost or so much damaged as that it cannot be carried to its said destination, then if any part thereof shall be saved the above security, so far as regards the property saved, shall remain in force, and the said lender or his assigns shall be at liberty forthwith to enforce the same against such property: PROVIDED ALSO, and the said loan is made upon the express condition, that the said lender does not accept or take upon himself any risk or liability on the said voyage except such as is hereby expressly mentioned and shall not be liable to contribute to or make good any general or particular average loss or expenditure or other charges of a like nature which may happen to or be sustained by or incurred in respect of the said cargo or the said ship upon the said voyage in consequence of perils of the sea or otherwise.

Signed, sealed and delivered by the said  
in the presence of

## CERTIFICATE OF ORIGIN

Los que suscriben de profesión ..... domiciliados en ....., declaran de acuerdo con el Decreto de 31 de Diciembre de 1901 que las Mercaderías especificadas a continuación han sido embarcadas a bordo del ..... Capitán..... de bandera British según conocimiento No. .... y proceden de los puntos que se expresan a continuación

BULTOS				Designación de la Mercadería	Cantidad en Peso o Medida según Conocimiento	País de Origen de las Mercaderías
Marca	Nos.	Cantidad	Clase			

No. del conocimiento.....

Certifico que los Señores.....han comprobado por medio de este certificado.....que las mercaderías contenidas en los .....bultos a que se refiere la presente Declaración son originarias de los países mencionados en la columna correspondiente.

*De que doy fe*

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